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Challenge of the Cities

- DEVELOPING AN URBAN STRATEGY
- BUSINESS AND THE URBAN CRISIS
- JOBS IS PUTTING PEOPLE TO WORK

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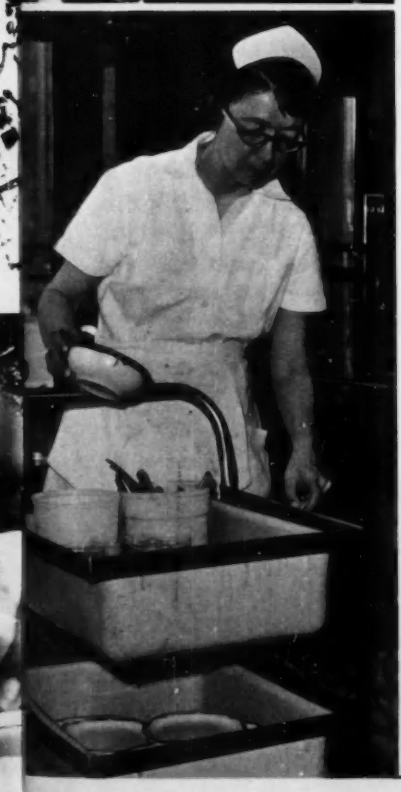
The Older Worker

Qualities Worth Considering



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DEVELOPING AN URBAN

By WILLIAM L. SLAYTON

Any survey of the current American scene discloses immediately that jobs and housing are the two basics that must be considered in any strategy to combat poverty, slums, poor health, inadequate education, and all the other urban ills and deficiencies of our times.

Every proposal submitted by 250 cities to the Federal Government for Model Cities funding has included jobs and housing as major components, very often *the* major components. The comprehensive report of the National Advisory Commission on Civil Disorders (Kerner Commission), published a year ago, cited employment as the first and largest of four fronts on which to fight the war against poverty and identified employment problems as a key contributor to family instability. And more than half of the pages of "One Year Later," a study by the Urban Coalition and Urban America, Inc. of developments since the Kerner Commission Report, are devoted to employment.

To build the 26 million homes that Congress, in the Housing Act for 1968, set as a goal for the next 10 years, or to construct whatever number the Nixon Administration sets as its goal, would generate construction industry employment far beyond what we have today. It is relatively easy to calculate how many jobs would be produced by a certain level of housing construction. But not enough attention has been directed to the effect employment levels and patterns have on housing, on urban growth, and —equally as important—on the quality of our urban environment.

Once the relationships between jobs and housing are recognized, we can begin to develop an effective urban strategy for achieving the good environment and the opportunity for a full life. That strategy must be based on acceptance of major changes in our political and social institutions.

We already have had a considerable change in technology. Robert C. Wood, director of the Joint Center for Urban Studies at Harvard and the Massachusetts Institute of Technology, recently said that between 1900 and 1950 the number of important discoveries and inventions equaled that of all preceding recorded history. Between 1950 and 1965 the number doubled again.

The country is adjusting to technological change, although at times it has been a difficult accommodation. But our willingness to accommodate to change has not applied to government—primarily local and State government—nor has it applied to private institutions dealing with nontechnological matters.

The Nation has not been able to devise governmental or societal systems to deal with social change and make it possible for man to live a full as well as an affluent life in an urban environment. Until we are able to establish new institutions and remake old ones to meet today's social and environmental needs, we shall not be able to build the good city and live the good life. And if we are to initiate change, we should begin the debate on what changes are needed.

The problems involved in creating a good urban environment are not primarily technological; they are political. Solution of these problems requires public debate of political issues followed by legislative action to bring about institutional change.

We cannot begin to fashion the good urban environment until we have provided an economic base that makes it possible for all individuals to lead a decent life in terms of meeting their material needs. In the past, we approached this objective with special programs to deal with the various needs of low-income families: Public housing and other housing programs for poor people; welfare assistance; food programs; and similar projects.

Now, through the Job Opportunities in the Business Sector Program and other cooperative manpower projects involving business and government, a major effort is underway to attack poverty in one of the most effective ways it can be attacked —by helping the unemployed and underemployed to obtain productive jobs with wages permitting them to maintain a decent standard of living.

But even if we eliminate or substantially reduce poverty, we shall not be able to provide the good life unless minority families are free to choose where they want to live and work. Our present system rather effectively limits minorities to residence in inner-city areas. Job opportunities, on the other hand, are being created primarily in the periphery of our growing metropolitan areas. Between 75 and 80 percent of new employment in trade and industry is locating there.

According to *The St. Louis Post-Dispatch,* employment in St. Louis has dropped by at least a fourth since the early 1950's. Between 1951 and 1965 the city of St. Louis lost nearly 62,000

Mr. Slayton is executive vice president of Urban America, Inc., an independent nonprofit organization concerned with upgrading the quality of life in the Nation's cities.

STRATEGY

jobs in all trades, while during the same period the suburbs gained nearly 142,000 jobs. These new jobs are difficult to obtain for inner-city residents because of the distance they must travel and continued evidence of discrimination in hiring practices.

As long as minorities are restricted in their choice of housing and jobs, we shall have the two "separate but unequal" urban societies described in the Kerner Commission Report. Despite a Federal law on fair housing, we have not really developed a strategy or a mechanism for substantially increasing housing choices of minority families.

The report, "One Year Later," sharply defines the issue:

> The difficulty in finding sites, more than the shortage of appropriations, has been a major deterrent to construction of more public housing.
>
> As long as such obstacles stand, it will be impossible to achieve the [Kerner] Commission's goal of opening broad new housing choices outside of the ghettos to the minorities and the poor. And as long as this remains impossible, it will be unlikely that the 1968 [Housing] Act's production goals for subsidized housing will be achieved, even with an increase in public and private investment.

URBAN STRATEGY
continued

Restricted housing and employment opportunities for inner-city residents make it impossible to clear the obsolete structures and land use patterns in these areas and create areas of good living in their place. Inner-city renewal, except for a bit of fixing up here and there, is precluded until we make it possible for those who wish to move out to do so.

What strategy should be followed to create housing and employment opportunities for minority families in areas other than the inner portions of our central cities? We know that population growth is going to be substantial in the next several decades. Most demographers predict that we shall have something like 100 million more people in the United States by the year 2000 than we have now—an increase of 50 percent. We know also that with this increase in population will come rapid urbanization.

We know also that if present trends continue, if there is no intervention to change the course of events, nearly all of this population increase will occur in the periphery of our present metropolitan areas. For instance, we can expect the population of the Bay Area region in California to more than double by the year 2000. We know that new plants and new employment opportunities will occur in these expanding peripheral areas. Does this not suggest a strategy for providing real freedom of choice in jobs and housing for those now forced to live in inner-city areas?

Could we not institute programs to give direction to this urbanization so that we accomplish two basic objectives? One objective would be to use our public improvement programs to channel population growth so that the urban region develops into a good environment. For the most part, the shape of our expanding metropolitan areas, and thus the character of our urban environment, are determined by decisions of public bodies.

Public bodies determine the location of major transportation routes, both highways and mass transit, major utility lines, and major transportation terminals. They also play a crucial role in the acquisition of land for open space and for recreational purposes; the development of waterways, both in terms of land use and use of the waterway itself for transportation or recreation; and the location of major public facilities such as State and Federal office buildings and major Federal installations such as the National Aeronautics and Space Administration Center in Houston and the Atomic Energy Commission project in Weston, Ill.

These public decisions determine very largely the character and shape of our urbanizing areas. The decisions, however, are made by individual, political jurisdictions which usually give little or no consideration to how the metropolitan area as a whole should develop. Within this framework, individual, entrepreneurial decisions are made. They are supervised only by inadequate zoning and subdivision regulations and similar ineffective land development controls.

What we need is a mechanism that will establish, through public control, the character of the metropolitan area and its expansion and, within this framework, provide the greatest latitude of choice among individual decisionmakers — entrepreneurs and consumers alike. In addition, we need to devise mechanisms that will attract industrial development and consequently population growth to those areas not already inundated with people.

What are these mechanisms? We should not have a large municipal government for metropolitan areas, but rather an organization concerned with the physical development and expansion of the area and establishment of a development plan for it. Such a metropolitan governmental organization need not —and in fact should not—absorb or eliminate existing political jurisdictions. Its functions should be to shape the character of physical development. It should have those functions enumerated earlier: Location of major transportation routes, terminals, open space, and public buildings and facilities.

If a governmental organization were given the metropolitan planning function and charged with the creation of an overall development plan, and if it were given authority over the public functions just enumerated, it would then be able to shape the character of a rapidly expanding area and avoid the ugly urban sprawl that afflicts many of our major population centers.

In fashioning our institutions for the creation of new cities or the dignified growth of older ones, we can use public programs to broaden the range of options in housing and employment for many Americans who have had almost no choice in these matters. Action along these lines was taken recently by the National Capital Planning Commission (NCPC), the agency which oversees the design and location of Federal installations in the Washington metropolitan area. The NCPC refused to give its approval to the construction of two new office buildings at federally owned Dulles Airport in suburban Virginia until the Federal Aviation Agency reported on the availability of nearby housing for employees who would work at the offices. The Commission also said that in the future the availability of housing for various income and racial groups will be a factor in determining whether Federal installations will be located in the Washington suburbs.

With real choice available, with greater economic opportunity open to minorities in the suburbs, we can ease the population and related social pressures in our cities and rebuild them so they no longer house only the poor and the discriminated-against.

This broadening of housing and job opportunities should be the second objective of our strategy for urban development. Achievement of this objective also involves political decisions. Tools for the creation of equality of choice can be forged only if the people are willing to use the power of public opinion. Public debate and dialogue on this issue must get underway.

Of course, low and moderate income families will have to be given some special housing assistance because they cannot afford the private housing that is available outside the inner city. We should take direct action against those exclusionary activities of suburban areas which prevent the construction of housing for low and moderate income families. Zoning regulations which preclude multifamily housing must be reexamined.

Suburban communities as well as businesses that want to locate in them have an economic interest in the availability of housing for low and moderate income families. Many suburban communities composed mainly of middle- and upper-income families depend heavily upon residential real estate taxes to pay for schools, recreation, and other public facilities. Taxes in these communities are soaring. To broaden the tax base, many of these areas would like to obtain some manufacturing plants or other light industry. But plants do not want to locate in areas where an adequate labor force is not available.

This has been brought home to Fairfax County, a Virginia suburb of Washington, D.C., and an area primarly of middle- and upper-middle-income residences. Its efforts to attract light manufacturing industries are being hindered by lack of a suitable labor force. Potential employees for manufacturing live in other areas of Virginia, in West Virginia, and in Washington, but not in Fairfax County. As a result, the county is seriously considering building housing for low and moderate income families so there will be workers available for plants interested in locating in the area.

Neighboring Montgomery County, Md., one of the wealthiest (per capita) counties in the United States, is involved in similar considerations.

Our government institutions have been unresponsive not only in terms of creating mechanisms for dealing with the growth of metropolitan areas, but also in terms of relating to the needs and interests of those living in neighborhoods within the city. We have not devised a local governmental system that is responsive to the specific interests and needs of particular neighborhoods. Our city halls think citywide; they do not think neighborhood.

The various departments of city governments also think in citywide terms. The school board thinks of a citywide system of school buildings. The highway department thinks of citywide street systems. Some agency or organization in the city government should concern itself with the design and character of individual neighborhoods, with the public facilities available in them, and with the interrelationships between neighborhoods.

We must find a way to translate the wishes and interests of those residing within a particular geographic area into action programs. The Model Cities Program is a promising example of an attempt to establish such a mechanism.

The Model Cities requirement that the disadvantaged be employed as fully as possible in the rebuilding of the neighborhoods in which they live holds great promise. The Labor Department's training grant of $238,000 to help 200 residents of the Boston Model Cities area qualify for union membership so they can get jobs in the construction work in the area is a stride in the right direction.

It is significant that the training contract was signed jointly by the Workers' Defense League, a human rights organization; the Community Development Corporation of Boston, a management group; and the Boston AFL-CIO Building Trades Council. This is the kind of total involvement foreseen in the antipoverty, housing, civil rights, and other legislation of recent years. But it is, of course, only a beginning and "total involvement" will undoubtedly take many different forms before the fever charts of our sick cities begin to show downward trends. This is the essence of urban strategy—development of the necessary actions and programs, with the built-in flexibility needed to cope with constantly changing needs and desires.

The basic dimensions of the difficulties this strategy must be designed to meet are well known. We can predict the approximate number of people who will live in the Nation in the year 2000 and the development required to meet their needs. We easily can envision the acute social and economic problems that continuation of present trends inevitably will produce.

There is nothing inevitable, however, about the deterioration of the American city. The forces of population growth, metropolitan expansion, housing, and jobs can be molded together to create an environment that will be socially relevant and aesthetically pleasing—an environment that will make urban living a pleasure rather than a plague. The question is, Do we wish to exercise our collective judgment and authority to achieve this end?

BUSINESS AND THE URBAN CRISIS

By ROBERT D. STUART, JR.

"For 35 years Government has failed to solve social problems. All we need to do is get free enterprise involved." That generalization often is made when the subject under discussion is business and the urban crisis.

But there is a problem ahead if people come to believe that business has all the answers to public problems. Business does not and when you examine some of the problems—police and fire protection, striking public employees, public education, welfare programs, even basic prejudices—it is obvious that business is not equipped to assume the initiative in solving them. The cliche that "business has the answer" could come back to plague the business community. Because when the problems are still here a few years hence, business could be the whipping boy.

The role of business in public problems must be viewed practically and clearly. It is true that the full potential of business in this area is yet unknown. And, hopefully, business can do more than seems possible now. New theories and new practical examples are brought forth with impressive regularity.

Mr. Stuart is president of the Quaker Oats Company.

But proper perspective on this issue cannot be obtained without stating one absolute truth—a truth too often forgotten: In major undertakings requiring substantial investment of funds, the profit potential must be sufficient to attract business interest on an economic basis. This is the "raison d'etre"—the object of the business enterprise. To justify the full energy and strength of the corporation, there must be an economic benefit. It is a disservice to all concerned to ignore this basic fact.

Yet, stressing the need for profits when business attacks the big problems does not mean that business must show a profitable return on everything it does to improve society. Most large industries are residents of the inner city. Most people, on seeing a neighbor's house afire, come running with the garden hose.

The traditional role of business as a good citizen—while it is not enough in today's environment—is more important than it ever has been. There are a multitude of public affairs activities that are related to the profit motive only insofar as they reflect credit directly on the company and contribute to a better environment for everybody, including the business community.

There are three criteria which can serve as valuable guidelines for any firm considering social progress programs. The program should:

- Perform a genuine service.
- Be innovative and ultimately capable of multiplying its effect by being adopted by other companies or organizations.
- Reflect creditably on the sponsoring firm.

Public affairs activities of individual companies need not be gigantic programs. The cumulative effect of many companies—each with its own public affairs programs for social progress—can be substantial.

Take the matter of open housing, for example. Most major companies are equal opportunity employers. It seems logical, therefore, that their employees should also be able to enjoy equal opportunity and freedom of choice in the communities in which they live. Consequently, one of the factors influencing selection of a community for a new plant or for major plant expansion should be the equal opportunity climate prevailing in that community.

About a year and a half ago our firm was able to use its economic leverage to encourage passage of an open-housing ordinance in a city where we were contemplating building a multimillion dollar plant. The location was Danville, Ill., a progressive midwestern city with fine leadership. Our interest in social progress was recognized, respected, and appreciated—as was our interest in building in Danville. We announced our plans to build there a few days after the city passed a meaningful open-housing ordinance.

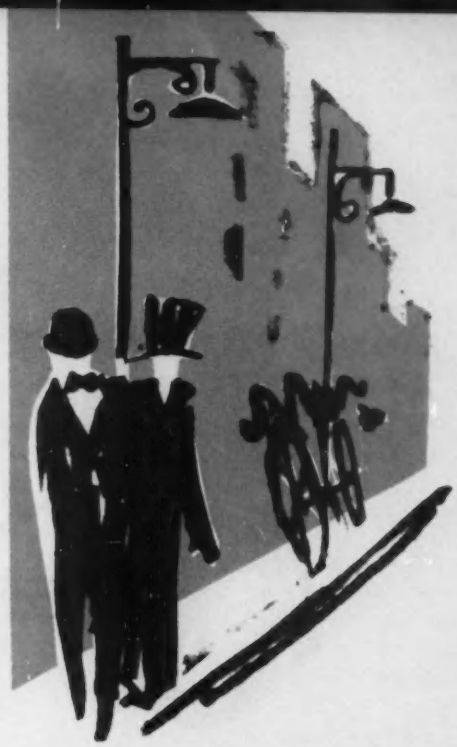
But open-housing ordinances are not in themselves the issue. The climate in the community is what is important. There is certainly an element of self-interest in any business seeing that its employees have equal opportunity in education, in housing, and in all community services.

Industry invests some $67 billlion annually in new plants and equipment, and communities compete vigorously for these investments. If most companies adopt a community progress standard in the selection of new plant locations, this could have a significant effect on the social climate in our country. Corporate muscle can and should be used to encourage legislative and administrative gains for social progress.

Businessmen are believers in free enterprise. It does not take much study to recognize that the black community has no significant base of business ownership. Our firm has supported programs designed to help build economic power in the Negro community. Because of our experience in the food industry, one of our projects involves teaching principles of supermarket management to black entrepreneurs or potential entrepreneurs in Chicago.

This is a modest program. None of us has done more than barely scratch the surface of this important area. But many very interesting programs—including a number affiliated with the Urban Coalition—are being developed and deserve support. It is an area where young and able business managers can make a significant personal contribution.

These same managers—with the help and understanding of their companies—also can make a contribution by actually serving in Government. More companies should encourage their young executives



to serve in Government on a leave-of-absence basis which is fair to both stockholder and employee. This can be an invaluable training experience. It can also shed much light on both business and Government. It can result in a major step toward removing the iron curtain—and the phrase is not too strong—that too often hinders understanding and cooperation between Government and industry.

Some companies have been making efforts to move in that direction. But more needs to be done. The public and private sectors must work cooperatively to devise sound and creative approaches to public problems, with Government providing the economic stimulus for business to do large parts of the job under conditions compatible with our profit-incentive economy.

The most realistic and productive way for business to contribute to the solution of public problems is through profit incentive. The really significant business solutions to public problems will come when middle managers with a direct profit responsibility see that they reasonably can meet that responsibility while directly serving social purposes.

The path to these solutions is not an easy one; the complexities are enormous. But all the practical difficulties should not be allowed to discredit new proposals which may enable business to tackle public problems in a fresh and innovative manner. These range from tax credits

for pollution control, to the Housing and Urban Development Act passed last year, to the new Small Business Administration guarantees on bank loans for black entrepreneurs.

Many of these proposals will never get beyond their current phase; but some of them will, and that is cause for optimism.

Harnessing the main thrust of private enterprise to social problems will take considerable time and effort. And the business community shouldn't promise too much. But it should apply its best talents to making the public and private sectors understand each other and work together. Here are a few specifics:

• Company sponsorship of employment and training programs for the disadvantaged should be expanded. Surely, it is better for businesses to train their own employees for their own jobs than to have their tax money support Government programs which may train men for jobs that might not meet business needs. A heavy sense of personal commitment is necessary to make these difficult programs succeed over the long haul.

• Corporate attitudes toward Government legislation must change. Business should become knowledgeable on how and where business and Government can work together on social programs—and also where they can't. The business community should support—even initiate—legislation that will facilitate private handling of public problems.

But business also must support legislation for expenditures in those areas where Government can do the job better than private industry. Wise public expenditures are in the best interest of private enterprise.

• David Rockefeller's proposed Business Committee for Social Progress deserves serious review by all thoughtful businessmen. It would differ from any existing organization in that it would represent exclusively a business point of view. It would create and lobby for those social progress programs which the best minds in business and industry can develop. Business would make intellectual, as well as practical, contributions to social progress.

• There are intriguing possibilities in proposals to decentralize our cities by developing communities and industries away from the great metropolises. It is popular now to say to industry, "Help by building a plant in the ghetto." This often may be the right approach, but companies also should consider whether they might be of more assistance by building their plants and providing the same jobs somewhere outside the inner city.

• Welfare benefits must be equalized on a national basis. It will do little good to take people out of the ghetto to productive jobs if welfare benefits in the city remain comparatively high and the cities continue to attract the impoverished.

MANPOWER SERVICES

A single new component, the U.S. Training and Employment Service (USTES), combines the major program activities formerly handled by the United States Employment Service (USES) and the Bureau of Work-Training Programs. The USTES handles all employment, work-experience, and training programs other than apprenticeship that are the responsibility of the U.S. Department of Labor.

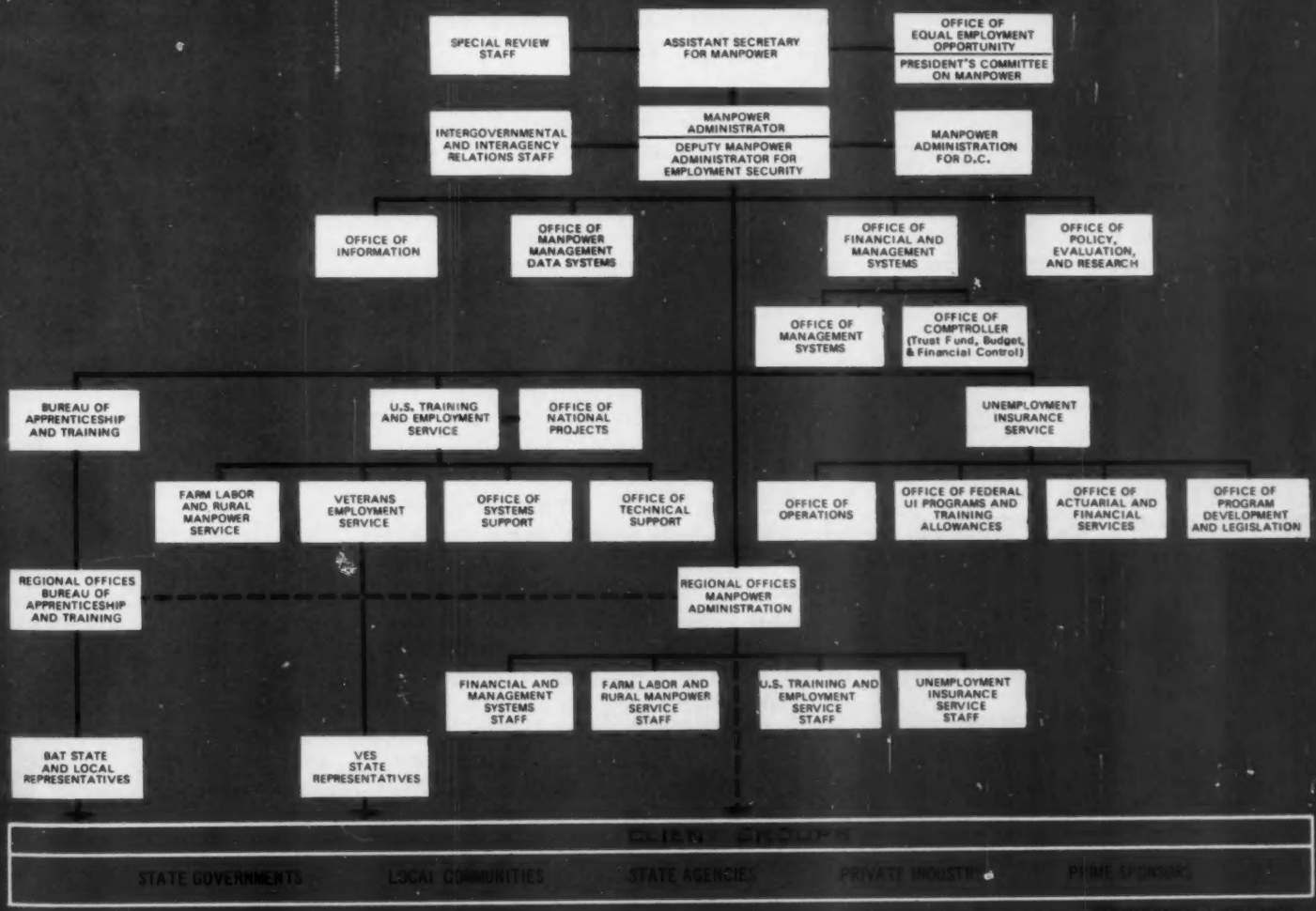
Secretary Shultz said the status and the effectiveness of the former USES has been enhanced by moving responsibility for its activities to a higher position in the Manpower Administration.

Besides developing tools and techniques for recruitment, counseling, testing, and placement, the new U.S. Training and Employment Service also develops procedures and policies for such programs as on-the-job training under the Manpower Development and Training Act; New Careers; Operation Mainstream; Neighborhood Youth Corps; Work-Incentive; Apprenticeship Outreach; Concentrated Employment; and Job Opportunities in the Business Sector (JOBS), which is a cooperative effort with the National Alliance of Businessmen. It also administers national projects which cut across regional boundaries.

The Veterans Employment Service has been made part of the Training and Employment Service, with no change in functions. The old Farm Labor Service has been expanded and is now the Farm Labor and Rural Manpower Service. It is also part of the USTES.

The Unemployment Insurance Service also has been retained intact with no change in functions and reports directly to the Manpower Administrator. The Bureau of Apprenticeship and Training has been retained without modification. Its reporting responsibilities, structure, function, and relationship to the field remain intact. The entire Manpower Administration at the national level has the support of consolidated staff units.

U. S. DEPARTMENT OF LABOR • MANPOWER ADMINISTRATION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STREAMLINING

Faster delivery and improved management of manpower services and better communication among policy and operating personnel at all levels are the main objectives of the Manpower Administration's new organizational structure.

In announcing the new setup, Secretary of Labor George P. Shultz said it gives more authority to regional offices and opens straight lines of communication between Washington and the field.

"The new organizational structure should eliminate diffusion of authority, duplication of effort, and unnecessary layers of administrative and reporting practices that have tended to insulate national officials from field operations and to delay effectiveness of the program," Shultz said.

"For example, suppose the Manpower Administration authorizes a job training project in a certain State. Under the prior arrangement, the authorization would typically go through a national bureau, two separate regional directors, a district office, and then to the State. Now the authorization begins at one regional office and passes directly to the State."

The reorganization separated the Office of the Assistant Secretary of Labor for Manpower from the Office of the Manpower Administrator. The Manpower Administrator is responsible for operational management of ongoing programs, reporting to the Assistant Secretary.

Under the new structure there is a single direct line of authority from the Manpower Administrator to the eight regional offices and the office of the Manpower Administrator for the District of Columbia. The Regional Manpower Administrators and the D.C. Manpower Administrator are responsible for administering the full range of manpower services, including the development and execution of training contracts, to meet the needs of the States, local communities, and other client groups. The field offices of the Bureau of Employment Security and the Bureau of Work-Training Programs have been consolidated under the direction of the Regional Manpower Administrators.

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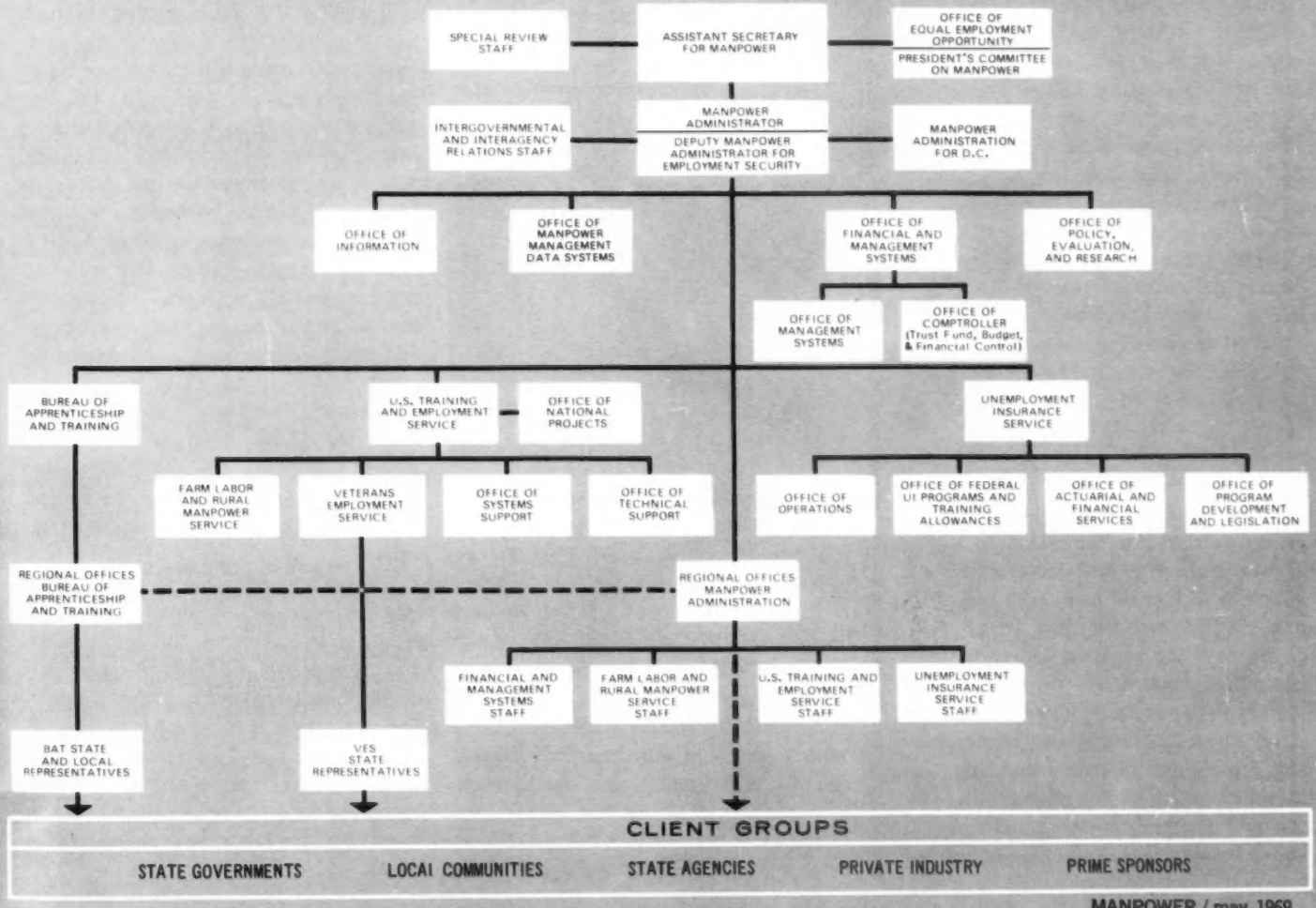
The Unemployment Insurance Service also has been retained intact with no change in functions and reports directly to the Manpower Administrator. The Bureau of Apprenticeship and Training has been retained without modification. Its reporting responsibilities, structure, function, and relationship to the field remain intact. The entire Manpower Administration at the national level has the support of consolidated staff units.

U. S. DEPARTMENT OF LABOR • MANPOWER ADMINISTRATION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MANPOWER PROGRAMS AND SOCIAL AND ECONOMIC GOALS

BY GEORGE P. SHULTZ
Secretary of Labor

The Nation's manpower programs have been directed primarily at particular human problems rather than at their economic effects. They have been concerned with opening opportunity for persons disadvantaged by technological change, economic downturn or dislocation, poor and discriminatory educational preparation, and other barriers to self-supporting employment.

It has long been recognized that each of these programs has some economic effect. But their total economic impact has never been gauged, even though the manpower programs now run by the Department of Labor alone will total about $2 billion in fiscal 1969 and reach almost a million individuals. What has become clearer during the last decade is that the combined effect of these programs can be crucial in reaching broad national economic objectives. Historically, economists have given only a passing nod to the possibility that a better functioning labor market could contribute significantly to the overall functioning of the economy.

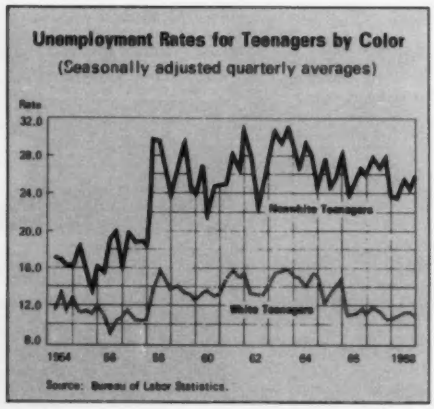
This is no longer the case. The way we design and run our manpower programs will be an important factor in answering the vital and closely connected questions of how we can widen economic opportunities and maintain a high level of employment while at the same time controlling inflation.

Four initial goals or points of emphasis have important economic implications and are central to both immediate and longer range manpower efforts.

This article is taken from recent testimony by Secretary Shultz before the Joint Economic Committee of the Congress.

First is the importance of being sure that our manpower programs are targeted to reach specific groups whose employment problems are sizable and serious.

Negro youth unemployment has been the worst unemployment category in our Nation for more than a decade. In 1968, nonwhite youth unemployment rates were 20.4 percent for 16- to 21-year-olds and even higher—25 percent for 16- to 19-year-olds taken separately. Almost a third of a million 16- to 21-year-old Negro youths are out of school and unemployed over the course of a year.



Virtually every one of our manpower programs is focused to some degree on this target group. Almost 200,000 out-of-school Negro youth are being reached by the Job Opportunities in the Business Sector (JOBS), Neighborhood Youth Corps (NYC), Manpower Development and Training Act (MDTA), and Concentrated Employment (CEP) programs. With an effort of this magnitude focused on this target group, we should begin to see some effect on the group's unemployment rate. It is a matter of concern that the high unemployment rate has persisted, and we are now considering the types of program redirection that will be most effective.

For example, we are studying the possibility of a shift in program emphasis for older out-of-school teenagers from enrollment in the Neighborhood Youth Corps to enterprise employment, with better career and income possibilities.

In this connection, expansion of the JOBS Program to types of enterprises not now strongly represented would open opportunities for new, regular competitive jobs in the very sectors of the economy that are expanding the most or where personnel problems and skill shortages are severe—nonprofit hospitals, publicly owned utilities, public transit companies, and a variety of service and State and local civil service activities. In other words, there are many types of activity, and some growing kinds, that we have not yet brought adequately within the purview of our training and job programs and which offer special opportunities for youth.

Similary, efforts now underway to expand the JOBS Program beyond the present 50 cities, into other cities and areas of economic growth in the Nation, should open many new development situations.

Beyond improving the targeting of our training programs, we need to give greater attention to means for bridging the gap from school to work. A good part of youth unemployment is the result of this gap, which is far greater in the U.S. than in Japan and European countries. Three-quarters of youth unemployment is accounted for by those newly entering or reentering the labor force in search of work.

'NEGRO YOUTH UNEMPLOYMENT HAS BEEN THE WORST UNEMPLOYMENT CATEGORY IN OUR NATION FOR MORE THAN A DECADE.'

There are several things we can do to close this gap under authority of the MDTA, the Vocational Education Act, and the Wagner-Peyser Act. We should improve relations between the Employment Service and the schools so that youths receive timely job counseling and are helped to understand how they might best enter the job market. New opportunities for youth to bridge the gap can flow from expansion of cooperative education programs in the schools. About 200,000 secondary school students are now involved in cooperative arrangements with industry, working on jobs on a released time basis. These numbers can be expanded several fold.

Some part of the youth unemployment problem will be influenced by what we do about the military draft. As new programs are developed to meet the Nation's military manpower obligations, we should be able to find ways of removing the uncertainties which today make some employers reluctant to employ young people with future possible draft obligations hanging over their heads.

We are concerned also about high offseason unemployment rates in construction. Such unemployment wastes skilled manpower, raises unemployment compensation costs, impedes our national housing efforts, and contributes strongly to the environment that boosts construction wages and costs. Initial findings by the Departments of Labor and Commerce led last year to a Presidential memorandum directing government procurement agencies to develop positive antiseasonal programs. The Congress has directed a further study of this subject, to be completed by the end of this year. We plan to work aggressively on this problem.

Second is the importance of building skills that will increase the productive capacity of the economy and improve its ability to meet the heavy demand for goods and services which prosperity induces—a demand which can lead, unless offset by output, to price rises.

Medical service prices and construction prices have been responsible for a major share of the rise in living costs. Expansion of output to meet growing demand in both cases comes up against important shortages of trained manpower. Every projection of future manpower needs, at apprentice, technical, and semiprofessional levels, puts demand for manpower far beyond present and planned training activities.

In the medical field, needs far outrun projected manpower supply, and consideration must be given to programs which expand the supply of labor and improve its use, thus increasing productivity, especially of highly skilled medical manpower. Here also, expansion of a JOBS-type program into the nonprofit field should aid in meeting heavy manpower demands.

Programs for "upgrading" the work force would open new opportunities for those who come in at the bottom, as well as relieve the tensions increasingly associated in our society with routine, low-paying work. Our manpower programs thus far have hardly scratched the surface of the "upgrading" question.

The view has sometimes been expressed that skill development to meet production bottlenecks and add to the productivity of the economy means a different kind of manpower program, aimed at different people, than a program directed at the disadvantaged. This is true only in small degree. Getting a disadvantaged person into a real job means launching him on the path to a skill. Since skill training in American industry is very largely a matter of expanding skill opportunity on the job—in the "internal labor market"—the crucial action is to overcome barriers to initial entry. Once that is done for a disadvantaged person, he is launched on the timeworn path that has produced the great variety of skills that make up the American productive machine.

Third is the improved efficiency of the labor market itself.

Whatever the economic environment within which the labor market operates, workers will reap better results from the variety of job-and-people matching arrangements if these arrangements operate at peak efficiency.

The concept of a Job Bank has recently been put into practice in Baltimore, Md. The Job Bank is simply a running daily listing of all available job openings in a labor market area. This listing is furnished to the many public and nonprofit agencies engaged in worker placement activities and already has shown good results in increasing and speeding worker placements.

A more sophisticated computerized job-matching system has been established recently covering the State of Utah. This system is only a beginning. The challenge is to develop appropriate descriptions of a worker's background and qualifications to feed into a machine and then match them with a job which has also been described appropriately in machine language. Much developmental work is ahead of us, but this is a most promising area and we are seeing the beginning here of a nationwide computerized system.

Any discussion of this subject would be incomplete without noting that arrangements between a jobseeker and an employer involve personal and human considerations that are not subject to computerization and, indeed, that must be preserved carefully in a free and open labor market. We must never allow ourselves to forget that the employment process is fundamentally a human relationship.

At any rate, these developments should speed up the reemployment of employable workers who now spend unnecessary weeks looking for new work opportunity.

"...MANPOWER MATTERS ARE NOW TOO IMPORTANT TO BE LEFT ONLY TO THE MANPOWER EXPERTS."

Cutting down unemployment time for the so-called "frictional" group, who are in fact going to be reemployed in fairly short order, will reduce the total amount of down time in the economy. If computerization of the Employment Service can cut only 1 week's unemployment for those now unemployed about a month, for example, there would be a small, but noticeable, reduction in the overall unemployment rate.

Most of our unemployed, particularly those who come into the labor market for the first time, know little about the opportunities that exist, even in their own community. And it is within their own labor market that most opportunities are to be found, and that computerization would have its greatest effect.

Special types of assistance are sometimes useful where jobs are more available in locations other than the city or town of immediate residence, such as in the case of the young worker displaced from a technologically advancing rural area. Some experimentation has been done with aids to mobility, not to force or direct people but to open new opportunities on a purely voluntary basis. Efforts of this kind, on a more regular scale—perhaps tying into the growing body of information at the Department of Commerce on the growth areas of the Nation—would cut into the Nation's unemployment down time.

A comprehensive system of job vacancy information would speed up the process by which workers and jobs come together and enable us to focus more sharply on the targets for which training is needed.

It is, of course, of great importance to take the variety of actions necessary to end arbitrary discrimination, and to end hiring standards irrelevant to job performance, as more and more employers are doing, either on their own or with aid or prodding of the Government.

Fourth is the importance of cushioning the human and economic losses that arise when workers lose their jobs through no fault of their own.

One of the quickest and surest measures we have in our group of stabilizers is the unemployment insurance system. It begins to operate automatically, provides an important income cushion for laid-off workers, and counteracts the effects of sudden or too abrupt employment adjustments.

This system needs improvement if it is to play a fully effective role in combatting economic and human adversity.

Each of these four areas of emphasis involves many specific actions. Each action by itself is likely to have a small—often not easily measureable—effect on the overall unemployment rate, particularly the youth rate. But together they can have a sizable impact, and can play an important part in efforts to combine high employment and a stable price level, while augmenting our drive to put an end to poverty.

A vigorous effort must be made to develop stronger relationships within the present or any proposed program content in the manpower field. As the President has said, "One of the priority aims of the new Administration is the development by the Department of Labor of a comprehensive manpower program, designed to make centrally available to the unemployed and the underemployed a full range of Federal job training and placement services. Toward this end, it is essential that the many Federal manpower programs be integrated and coordinated."

As we work toward these objectives, we do so with the knowledge that our manpower programs are coming of age. They have grown to a size and scope that gives them strategic significance in our economic as well as social policies.

This significance is enhanced under the current economic conditions. A strong job market makes it possible to move idle and under-utilized human resources into productive activity. The prospect that this current high level of job demand will be a stable and continuing one lends internal strength to the manpower efforts.

I welcome the growing attention of the Nation's policymakers to the contribution that manpower programs can make, with the growing and proud realization that manpower matters are now too important to be left only to the manpower experts.

JOBS IS PUTTING

By Emil Michael Aun

You find them hurrying through the orderly newsroom of *The New York Times* and aboard weathered shrimp boats plying the Gulf of Mexico. Jones Body Shop in Omaha is training two as repairmen. General Motors has enrolled more than 25,000. Altogether, the National Alliance of Businessmen reports 12,500 employers in 50 cities across the country have hired more than 145,900 persons and some 87,800 are still on the job.

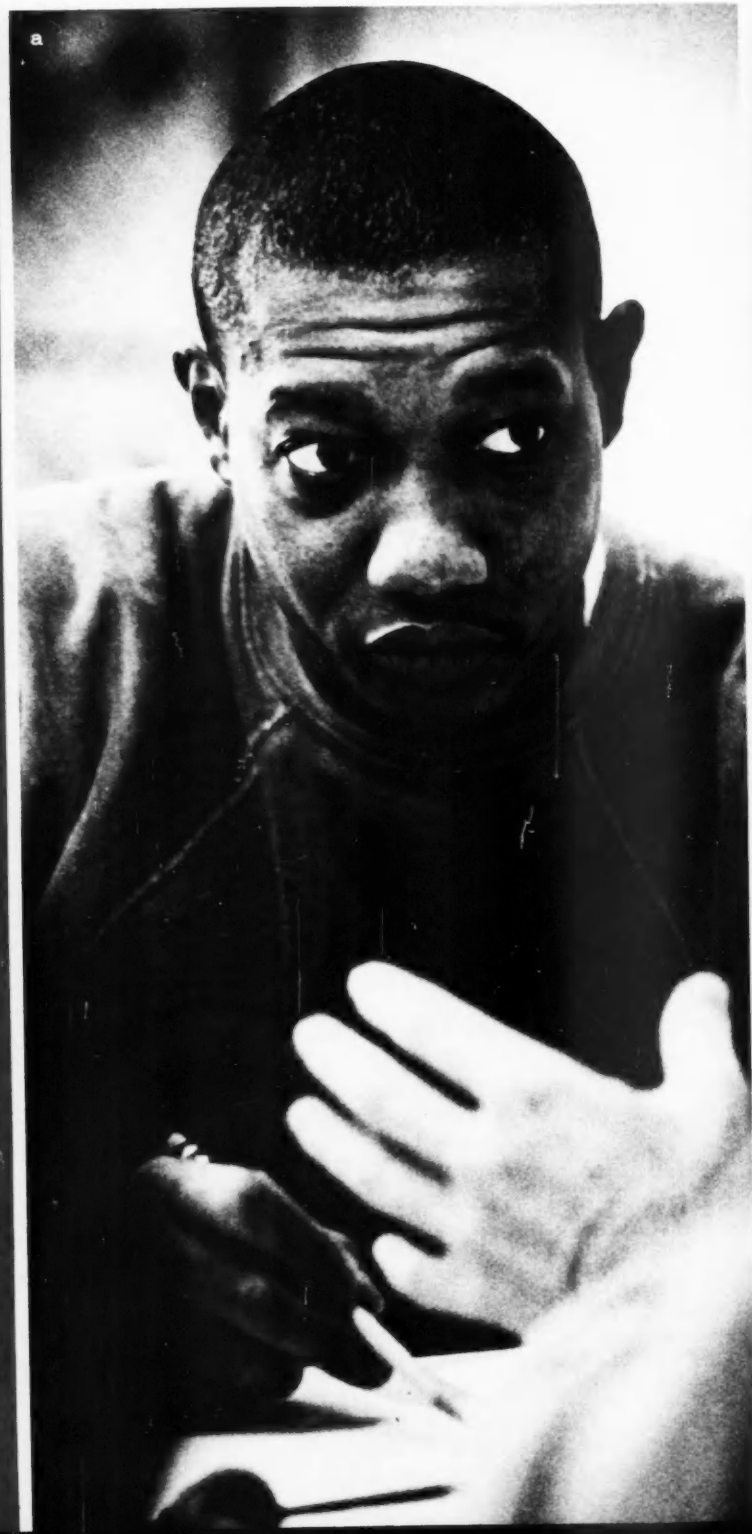
Seventy-six percent are men; 74 percent are Negro, 15 percent white, the rest Puerto Rican, American Indian, and Oriental.

They are the hard-core unemployed—at least they used to be. Now they are working and studying. Some are acquiring skills as old as history—carpentry, gem cutting, bricklaying. Others work at jobs that didn't exist a generation ago—data processor, digital computer operator, printed circuit assembler.

Whether their occupations sound frivolous (in Dallas, 110 wig dressers) or confusing (in Memphis, 3 bellymen, i.e., piano part assemblers), they are all performing tasks that society has decided it wants done. And they have something else in common. A year or two ago, nobody wanted to hire them. Most were jobless because of their race, or age, or lack of education, or a police record, or a physical or mental handicap—or a combination of these.

For more than a year the U.S. Government and the Nation's businessmen have been working together through the Job Opportunities in the Business Sector (JOBS) Program to help the hard-core disadvantaged find a productive role in society. A combination of Federal money, channeled through U.S. Department of Labor contracts, and business know-how, organized through the National Alliance of Businessmen, has generated America's most ambitious effort to wipe out persistent unemployment.

Mr. Aun is a member of the Manpower Administration information staff.



a. Classroom instruction is part of Donald Boyd's construction worker training in St. Louis.

b. Sheet metal worker Mildred Odum graduated from trainee status to a regular job with Ling-Temco-Vought in Dallas.

c. Trainee Frances Graham handles a call at Telesec Answering Service in New York under supervision of instructor Curtis Bates Joseph (right).

d. The skeleton of a new building frames St. Louis construction trainee Jerry Washington.

PEOPLE TO WORK

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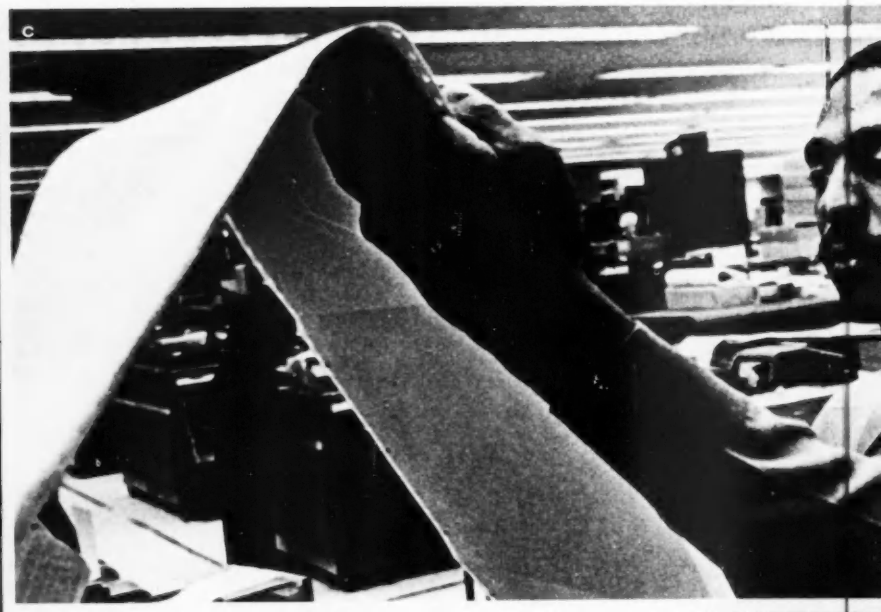
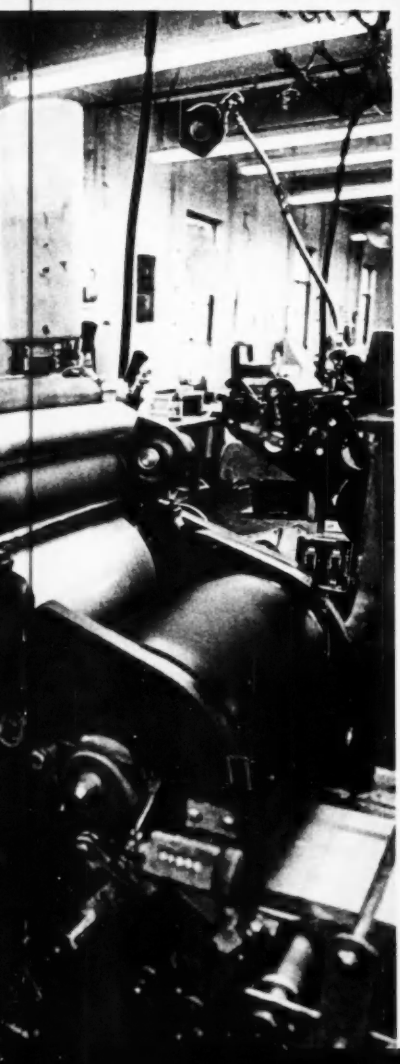
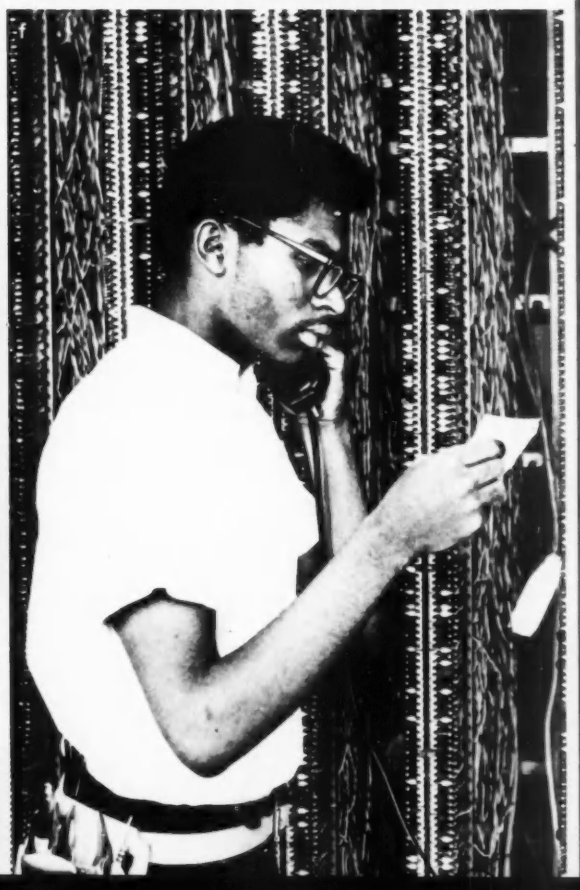
JOBS *continued*







The disadvantaged receive a varying mix of whatever services they need to find and hold a job. Through public and private agencies, some local, others national, they are recruited, tested, oriented, transported, counseled, motivated, schooled, and trained. If they lack education, they are placed in special remedial classes. Their training is on the job, by employers, for positions they ultimately occupy as full-time employees.

Under the JOBS Program, an employer can sign a contract with the U.S. Department of Labor to be reimbursed for the expense of the extra training and services required by the hard-core disadvantaged. Training costs under these contracts have been running about $3,000 per trainee. In most instances, however, the full cost of the program is being borne by the employer. The Government is paying the training expenses for about one-third of those hired.

The JOBS Program already has surpassed its short-term goal of 100,000 placements by June 1969. It soon will be expanded to 75 additional metropolitan areas in an all-out effort to meet its new goal of putting 614,000 unemployed persons to work by June 1971.

a Aided by a large model of a micrometer, instructor Brenda Green explains use of precision instruments to Boeing trainees Darlyne Dickson (center) and Richard Cole.

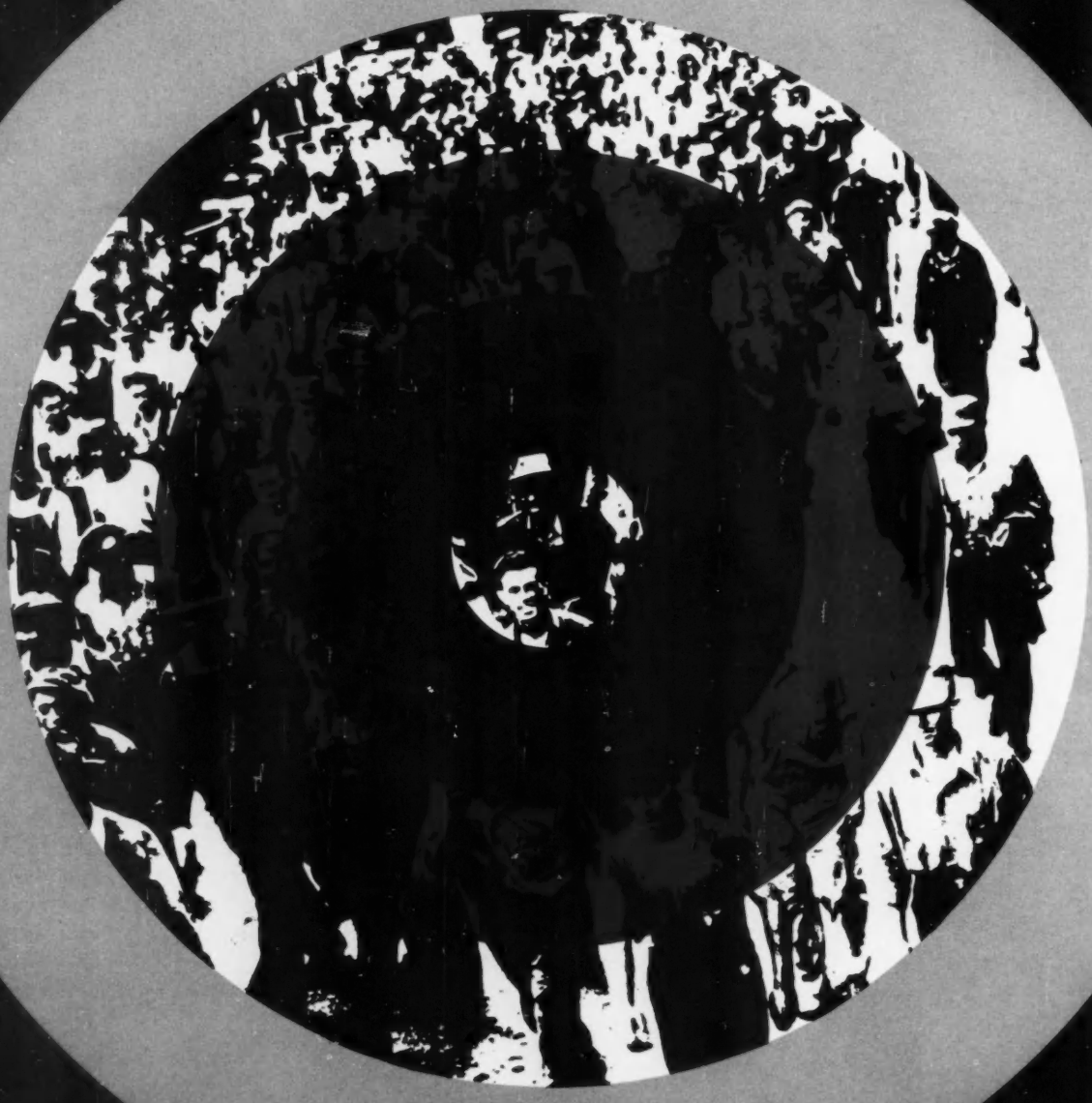
b Nancy Chan and Beverly Blackwell, clerk trainees at San Francisco's Wells Fargo Bank, checklist file items.

c Angel Perez checks data from one of the business machines he is learning to operate at Consolidated Edison of New York.

d Juan Figheroa checks printing produced by press he is being trained to operate at Avco plant in Roxbury, Mass.

e The precision required in electronic drafting commands trainee Robert Duarte's complete attention.

f Frameman apprentice Richard Batiste checks a line at San Francisco Pacific Telephone and Telegraph central circuiting system.



HIT on Target with 'Instant Upgrading'

High intensity training — an innovative and potentially powerful tool in helping low-skill, low-paid workers move out of the poverty ranks — is producing encouraging results in tests with a variety of employers. Developed originally in a 2-year experimental and demonstration project funded by the U.S. Department of Labor, high intensity training (HIT) aims at almost "instant upgrading."

It was tried initially in New York City with some 50 employers, including plastics companies, electrical component firms, hospitals, and restaurants. After brief in-plant training, more than 1,600 unskilled workers were upgraded to better jobs in their own companies, with immediate 8 to 10 percent pay raises for each. They moved into positions as foremen, assistant foremen, medical coders, and extrusion operators, and into jobs requiring general machine skills.

Most trainees were Negroes and Puerto Ricans, and all had been earning less than $4,000 a year. Yet, with only 40 hours of training spread over 5 weeks, they were able to move up a notch to better jobs—positions their employers ordinarily had difficulty filling from within their own work force.

Three other experimental high intensity training projects, also funded by the Labor Department, are now underway in Newark, Cleveland, and Baltimore. A different organization runs the project in each city, under the overall direction of the Skill Achievement Institute.

Because it is still in the experimental stage, HIT is not now available outside the test cities. However, its success so far indicates it has considerable potential for widespread use in industry. Among the questions still to be answered are how wider use of the training should be financed and what type of organizations are best suited to provide and administer it. The current test projects are expected to produce some guidelines on these matters.

The basic components of each program are: Orientation on company objectives; job training based on a realistic and objective assessment of the requirements of a specific job; human relations training, aimed at helping workers get along better with their bosses and each other; and self-development, geared to help workers solve outside problems that interfere with job performance. Trainees are taught to manage money; to avoid garnishees, liens, and the like; where to go for medical, legal, and housing assistance; and are given guidance on schooling and career development.

This broad approach, according to Dr. Samuel Marks, Skill Achievement Institute executive director, is used because the working poor require more than skill training. They must be considered in the context of their total environment—at home and in the community as well as at work.

Special training is given company supervisory personnel whose subordinates are being upgraded. Seminars are held before, during, and after training to help supervisors understand better the behavior and attitude of low-skill minority group workers.

"You can't upgrade without changing management behavior," Dr. Marks says. First-line supervisors in particular must be involved in helping to train and in developing the curriculum, even in teaching. "Otherwise," Dr. Marks says, "it won't work."

HIT is based on the premise that the most effective and direct way to upgrade the low-skill worker is through his employer (and his union if there is one). The employer has the training facilities; the workers already are on his payroll; and his supervisors can assist in preparing employees for particular jobs in the organization.

But for employers to "buy" the idea and cooperate in upgrading, there must be practical and solid incentives. Norman Goldberg, Institute training director, explains the incentives and benefits this way:

"We emphasize that training low-level workers helps eliminate production bottlenecks, increases output, reduces waste and accidents, improves quality, and lowers labor costs through better attendance and smaller turnover. We stress not the social aspects of aiding workers in dead-end jobs, but the potential for greater profit, from both increased production and lower costs.

"We promise the employer a more cohesive work force, better motivated to achieve company objectives. We promise him a cadre of workers trained in the specific requirements

and functions of the job. We provide him (at no cost to his company) with a professionally developed training curriculum designed to fill his own industrial needs, and an industrial trainer to conduct this program. We train one of his own employees to be an instructor for future company programs, thus enabling the employer to repeat the training process as often as his needs dictate."

What has evolved is a package program that has interested both employers and workers. Although HIT is relatively new —the New York City project was in 1966-1967 and the three-city one started in late 1968—many employers approached have been receptive to the idea. Some who were skeptical at first are among its strongest supporters. Many say they like the business-like approach and the systematic way results are achieved.

Since it is a federally funded experimental project, employers who agree to conduct a high intensity training program do not have to pay anything for it. However, they must agree to upgrade employees who complete the course to better jobs with a different job title and to give them at least an 8 percent pay hike.

The training organization which conducts the program designs a separate course for each employer based on his individual needs and operations. An analysis is made of existing job structures to determine the technical skills for which training and upgrading are needed. If necessary and feasible, recommendations are made to the employer on how jobs should be restructured to meet his production needs and provide promotion opportunities for his underemployed workers.

Each firm where a course is conducted has a full-time representative of the training organization assigned to it to design and carry out the program. He works with the trainees, supervisors, and management in the plant until the program is completed. As part of the course, a company employee is schooled to conduct future programs. Other personnel of the employer are called upon to instruct trainees during the program and thus gain valuable experience as instructors. In many instances the outside trainer serves as a catalyst and helps unfreeze negative attitudes often held by supervisors and management toward low-skill workers.

For example, a dishwasher in a hospital earning $65 per week was upgraded after the training to $71 in a new "flying squad" job of filling in for absent workers in various food preparation skills. The training awakened hospital management to this man's potential, and about a year after the initial upgrading he was advanced to a supervisory position in food management at $105 per week—66 percent more than he had been making as a dishwasher.

Classes in any one program are kept small, generally under 15, and training is done on company time. Employees get overtime pay for training outside regular work hours. In addition to upgrading skills, courses are designed to help workers build their self-confidence, and to motivate them to go beyond the jobs for which they are being trained.

In each of the three cities where HIT now is being tested, plans call for training 700 people from 105 different businesses and other establishments. Of the 700, half will be taught by the outside training organization and the other 350 by company personnel trained to take over the course after it has been given once.

In Newark, the high intensity training program is run by the New Jersey State Employment Service. In Cleveland, Skill Upgrading is part of the city's Department of Human Resources and Economic Development. The training organization in Baltimore also is known as Skill Upgrading. It is a non-profit corporation with a board composed of members from business, education, and community and municipal organizations.

Newark was the first of the cities to get started. Actual training began in September 1968, and by the end of the year 88 workers had been upgraded. Of these, 17 were with the City Housing Authority and advanced from laborers to building maintenance workers.

In the Curtiss-Wright plant at nearby Wood-Ridge, N.J., 64 workers were trained. Fifty-six entry-level workers were upgraded to production machine operators. Their salaries rose from $2.36 an hour to a range of $2.76 to $2.85. Eight other

employees were trained as instructors so the course can be repeated. Kieran T. O'Reilly, Curtiss-Wright training and development manager, called the program "very effective."

Another Newark firm, Blonder-Tongue, an electronics company specializing in television components, had seven assemblers trained and upgraded to inspectors, repairmen, and utility workers. Their wages went from $1.87 to $2.04 an hour. Mrs. Elaine Maffeo of Blonder-Tongue's personnel department said that "all are doing well in their new jobs. Their promotions have meant a great deal to them."

Mrs. Maffeo was in charge of another HIT project, one designed to help supervisors deal with problems of the hard-core unemployed the company hires. Taking this training were six assemblers who were upgraded to assembler-group leaders to work with the hard core, and two foremen. Mrs. Maffeo said they were so enthusiastic about the course that when it was unavoidably interrupted for 2 days, she was asked eagerly when it would continue.

A recently completed program in Baltimore involved 10 persons originally hired for temporary jobs as food handlers in a public school cafeteria. They worked irregular hours and had no job security or benefits. After the training, they were given permanent civil service status. In addition to a small pay increase, the permanent status means their salary is guaranteed for the 10-month school year, they will get annual raises, and they are entitled to paid lunches plus other fringe benefits.

At an International Telephone and Telegraph plant in Cleveland, 8 of 10 painting, shipping, and sheet metal workers who were upgraded as a result of high intensity training decided to return to school in their spare time to get high school diplomas.

An unusual element of the high intensity training approach is the inclusion of human relations instruction for low-skill workers. Despite the need to improve communications and cooperation among workers and supervisors, such training usually is reserved for management development courses. But role-playing, conference leadership, and similar techniques used for management trainees have proved effective in reaching, teaching, and motivating low-skill workers.

When the training organization completes its work, it leaves behind a fully developed curriculum and training materials, plus a company employee prepared to make proper use of them. This "inheritance" has been a boon to employers. In one firm, the newly trained company instructor began a class only 2 days after the HIT project was completed.

Studies made in firms where the training has been conducted reveal a marked change in the attitudes of workers who before saw little hope of ever moving out of their entry-level jobs. These workers were shown that in a short time they could learn new skills, earn more money, and hold more important jobs. Employers report that workers who have completed HIT have become more productive, cooperative, and responsible.

"Attendance has improved 100 percent," said Bernard Golden, IT&T plant manager in Cleveland. "Role-playing, orientation on company objectives, and other high intensity training techniques have done much to stimulate the employees' initiative and interest in their jobs. And that is the key to individual development."

While it is primarily an upgrading device, high intensity training also creates jobs for the hard-core unemployed by moving incumbents out of entry-level positions.

In a speech late last year before the Industrial Relations Research Association, George P. Shultz, now Secretary of Labor, discussed the related problems of finding jobs for the disadvantaged and upgrading low-paid workers. He said:

"Although recent public and private manpower programs have given primary attention to the recruitment and placement of large numbers of disadvantaged workers, this constitutes only the first stage of what will be a continuing process of development. Once these workers are on the job, what additional steps must be taken to permit and facilitate upgrading consistent with the long-run manpower requirements of the firm?"

Although experience with high intensity training has been limited, both in number of employees and degree of upgrading, the techniques developed and results achieved so far indicate it might point the way to many of those "additional steps."

A YEAR OF AWAKENING

AN INTERVIEW WITH LEO BEEBE

Q. Mr. Beebe, what do you think has been the most significant contribution of the Job Opportunities in the Business Sector (JOBS) Program?

A. There are really two significant contributions. Obviously, the first is that a great many people have been given a chance to get out of the ghettos and slums and earn a living under our American system of free enterprise. The last figure I saw on placements was 146,000. If you multiply the 146,000 workers by the average family size, which I think is four people, you are talking about close to half a million human lives that have been, or at least could have been, benefitted as a result of this effort.

The other significant impact is less measurable and probably less immediate, although I think in the longer term it will be even more significant. That is what I call the "fallout impact." In organizing businessmen to work with the Government to provide jobs and training for the disadvantaged, we have created among businessmen an awareness of the tremendous needs of the disadvantaged and of our cities. Businessmen who made a commitment to the JOBS Program then began to see the need for other things. Businessmen have helped minority people open their own stores and, hopefully, make their own way and provide employment for others. Companies have gotten interested in urban housing as a result of starting out in the JOBS Program. A major hotel corporation has decided to build a hotel in one of the Nation's largest ghettos. Some efforts to train the hard core have been so successful that companies have adopted the same techniques for training employees generally. Better training helps employees to be more productive. We all gain by that.

Q. Do you think the momentum of the JOBS Program can be maintained by private industry alone?

A. It can be maintained by private industry with the assistance of the Government. It's a cooperative effort. One can't really do exclusively without the other. If properly encouraged, private industry will do all it can by itself. A company that needs employees is already motivated. It has the incentive to hire, train, and counsel people to make them

Mr. Beebe, a Ford executive, served on loan as executive vice chairman of the National Alliance of Businessmen from January 1968 to February 1969, the first year of operation of the Job Opportunities in the Business Sector Program. He was interviewed by Jack Hashian, press chief of the Manpower Administration information office.

dependable, productive workers. A lot of companies are doing this, many without the Government's help. But there are instances where the Government is and should be a partner in this enterprise, particularly in dealing with the most disadvantaged people.

Those who have little or no education, or who may have other handicaps—physical or mental—obviously are going to be more difficult and costly to motivate and train. You can't expect private enterprise, being wholesomely profit-oriented, to take on all those extra costs. It's at that point that the Government should step in. Beyond that, Government people are in a position to be very effective in finding and recruiting the hard core for employers. I'm not saying employers shouldn't make efforts to find and employ these people, because they should. But the State employment services have people who specialize in that. They can perform a critical function.

Q. Has there been a problem in recruiting the hard core, in bringing in people who never worked or worked sporadically?

A. There has been and will continue to be a recruiting problem. We should be realistic about this. I'm not being critical of our Government partners in this enterprise, because if anybody knows how to recruit the disadvantaged it is Government specialists. We must realize, however, that business and Government have bypassed the disadvantaged for years and years. We've cultivated some bad habits and I think we have to admit it. We have lost touch with the poor. We don't know how to find them. We don't know how to talk to them. We don't know how to motivate them, and they don't know how to respond to us because we've never talked to them. Lots of jobs in this country go unfilled because we can't find people for them. There is a gap between jobs and the jobless. The only way I know to close that gap is to get out and start knocking on doors and talking to people. Government people have developed some excellent techniques for reaching the hard-core disadvantaged. But there have been many frustrations and there will be a lot more. This is not an exact science.

Q. Do you see any problems in meeting the goal of placing 230,000 disadvantaged people in jobs over the next year? The JOBS Program has more than met its goal of placing 100,000 people by July 1969. But 230,000 is quite a jump regardless of the number of cities to which the program is being expanded.

A. There are a couple of "if's," but I think there is a very good chance of meeting that goal, provided our economy remains reasonably stable. That's the key. If unemployment gets appreciably higher, we are going to have a problem because we are talking for the most part about bringing people in at entry-level jobs. They are last in line. When the economy is depressed, the last man in line is the first guy out of a job. I don't know any answer to that yet, except by having the Government step in, which is another subject. I think 230,000 is in the ball park. We got more than 100,000 jobs in 50 cities. Now there are plans to add 75 more cities to the campaign. They are not as large as the 50 original cities, but they have enough employment potential to make 230,000 jobs a realistic goal. We must guard against complacency, against the attitude that the program has enough momentum going to carry itself, because it doesn't. It must continue to be pushed hard, and I know it will be.

Q. Do you think it will become more difficult to meet the 230,000 as we dig deeper into the pool of the disadvantaged jobless? Do you think we skimmed off some of the easier-to-train people at the beginning?

A. There is no question, it will get harder. You make your easiest sales first, so to speak. I think we will have to reach beyond companies ready to cooperate, to persuade reluctant concerns, especially smaller ones, to participate.

Q. What has made one city more successful in recruiting and hiring disadvantaged trainees than others?

A. A key element is how strongly top business leaders in a city back the program, something that I call the nature of the community. Where a city's business community is strongly influenced by a few large employers, the program runs smoothly. Dayton, Toledo, and Cincinnati, for example, all did well. But in Cleveland, where the business community is more diffuse, the program was harder pressed to meet its goal.

Q. Some firms are conducting training programs for the disadvantaged without Federal assistance, and some are accepting assistance for only part of their programs. Why is there such a combination?

A. There is a combination of approaches among employers. I think that is healthy. I would not try to force a pattern. I would simply ask employers for a commitment and ask them to deliver on it. And I think they will if the effort is organized properly. The primary factor governing what an employer is going to do is his need for employees, coupled with the labor supply. If the demand for employees continues to exceed the supply, it will be helpful to the hard-core jobseeker. Under such circumstances employers seek out and train people because they need employees.

The nature of the labor supply is a factor. If potential employees are not trained, lack education, or are severely handicapped in one way or another, extra training is required and, in turn, this often means government help is needed. For the first year of the JOBS Program, employers were paying the full training costs for 2 of every 3 persons hired. I think the ratio will tend to even out with Government paying the training costs for half the hard-core workers hired. Later, when we are down to the people who are the most difficult to employ, it might be necessary for the Government to pay for more than half of the trainees. But I don't think anyone could predict exactly how it will come out.

Q. Is there a significant difference in the scope and type of training done by firms absorbing all the costs compared to those doing it with Federal assistance?

A. I don't have objective data on that, but I can give you an impression based on some observations. It is dangerous to generalize, although one would be tempted to say that companies that train under Government contract would, perhaps, do a more thorough job. They would tailor the training more to the needs of the worker as well as their own needs. If you are training under contract,

you have to sit down, think out, and write out the program, and then sign with the Government. On the other hand, some programs financed entirely by employers are exceedingly comprehensive and thorough. Eastman Kodak and Bell Telephone Companies are examples. One thing is sure, when you train under contract, you know what the program is because it's specified in advance. That's the safe way, so to speak. But I wouldn't discount the voluntary method; I would continue to encourage it. At the outset, the Government wanted all training done under contract, but I opposed that. We ought to encourage all the voluntary effort we can. I think it's worked out so far.

Q. The Labor Department estimates that under its contracts the extra cost of training the disadvantaged has been averaging about $3,000 per man. What are the training costs for firms not taking Federal assistance?

A. I would guess that the costs are about the same. But that is only a guess. I have no figures on that matter.

Q. Wouldn't it be desirable to let trade or industry associations determine the number of trainees needed in their fields and then contract with Government to do the training? Why hasn't this approach been tried?

A. We considered this idea at the outset of the program and decided to concentrate on the individual employer. We went to the larger employers first. The presidents or board chairmen of many of the Nation's biggest firms are members of the National Alliance of Businessmen (NAB) and we felt the direct approach was the fastest and best way to get the program moving. There have been discussions with associations and there may be some promise in working with them. The most crucial need now is to broaden the base of the JOBS Program, and that is where associations could be most helpful. About 20,000 firms have pledged jobs. There are probably 250,000 employers in the New York area alone. That gives you an idea of how far we can go. If we can get the small retail merchants on Main Street and in the suburban shopping centers to hire one or two of these disadvantaged workers each, we can get the job done. We don't get things done in this country simply by asking "Mr. Big" to do it all the time.

Q. What do you think of the suggestion that the JOBS Program, which is now confined to the private sector of the economy, be broadened to the public sector?

A. Certainly where there are jobs, legitimate jobs, in the public sector, we ought to do everything we can to give the disadvantaged a fair shot at getting them. Speaking as a taxpayer, I'm not anxious to see our tax bills inflated any more than they have to be. With a JOBS Program in the public sector we would have to guard against the make-work approach. The hard-core unemployed want real jobs. They want to feel that they are making a contribution. Within that context, a JOBS Program for the public sector is worth exploring.

Q. Would tax incentives eliminate the need for Federal assistance to the JOBS Program?

A. I don't think so. Tax incentives probably would call for a more intensive effort by the Government to insure that the program is being carried out to meet its objectives. Without some Government review of how the rebates are being used, we could find that all of us are paying the bill for an awful lot of training that might be questionable. I would be cautious about eliminating the Government's role. Under a training contract, the employer is reimbursed on a sort of pay-as-you-go basis. Tax incentives would delay the payment. And often, when you pay later, you pay more. If tax incentives are used, very careful guidelines should be established and employer adherence to them should be monitored throughout the year. That way, when you get to the end of the year and pay off on the tax incentive, you know you are paying for a product that you got.

Q. Would a tax incentive program eliminate the need for the NAB?

A. The NAB, or a similar group, would still be needed to act as the corporate conscience and to keep prodding and stimulating efforts to put the hard-core jobless to work. It would be a grave mistake to think that the conscience of the business community, or our society generally, has been quickened and awakened

to the extent that voluntarily we are going to go and get this job done. Many people have opened their eyes and their hearts and are making a dedicated effort. But I think an awful lot more of us tend to revert to old habits and forget the disadvantaged. Somebody has to be there on some kind of organized and sustained basis to remind all of us that there is still a lot to be done.

Q. Do you feel that the private sector is the best avenue of communication to the private sector?

A. It makes good sense to have businessmen talk to businessmen. It's good psychology. For one thing, a businessman who agrees to solicit the support of other businessmen for a program is going to make sure his firm is doing something to help before he seeks the backing of others. If I were running the Government's side of the program, I wouldn't let business off the hook. Government could take on the job and go knocking on the door of businessmen, and I'm sure businessmen would be responsive. But they are going to be more responsive when businessmen accept voluntarily the role of calling on one another. I think you will get better results doing it that way.

Q. Could you give an overall assessment of your year with the NAB—the accomplishments and the major problems that still exist?

A. You can't put together a program as complex and extensive as the Alliance without making some mistakes. On the whole, I think a good job was done, largely due to the response of people around the country, both in and out of Government. It's always a problem to get volunteers, to get them organized, to motivate them, and to sustain the motivation so that they will work steadily over a long period of time. When you aren't paying, you can't demand; you have to ask, and that's a challenge. On the other hand, it's exciting and rewarding when people respond as they have.

The problems boil down to people problems. Problems develop in putting the Government and business together in a partnership just as they do in putting two people who don't know each other together in a partnership. A guy comes from the other side of the fence and he doesn't know his neighbor. He's a little suspicious; at least he's cautious. We had some of that and I'm sure some still exists, but as we worked together we found out we are more alike than different. We traded on our likenesses and that's what I think we should continue to do. We are all in this together and it's a matter of exchanging hats. When a businessman puts on a Government man's hat, he starts acting like a Government man. And vice versa, by the way.

Q. As a businessman, what is your candid reaction about the people in Government, the so-called bureaucrats, with whom you worked during your year with the NAB? Did they meet your standards of competence and efficiency?

A. I don't generalize about people in the Government anymore than I do about people in business. As a businessman I am also a bureaucrat. If you have a mass enterprise, you've got to have bureaucrats because you have to subdivide the business into departments and bureaus whether they are business bureaus or Government bureaus. And the people who run them and the people who do the staffing work are therefore bureaucrats. There is too much negative connotation that goes with the term. By and large, my standards were met. If they weren't I wouldn't work with the man. I wouldn't have him around in an enterprise as critically important as the JOBS Program. I'd say Government people averaged out about like business people. I don't see any significant difference.

Q. Businessmen often say they don't want to work with the Government because of the red tape involved. Is that a valid argument?

A. Anybody who says that simply hasn't done his homework and he also isn't as experienced as he thinks he is. Government problems have to be handled in a different manner. Generally, people in Government are doing only what they have to do.

Q. If you had your job with the NAB to do over again, would you do anything differently?

A. I don't think I would change the basic approach very much. It would be

"If we can get the small retail merchants on Main Street and in the suburban shopping centers to hire one or two of these disadvantaged workers each, we can get the job done. We don't get things done in this country simply by asking 'Mr. Big' to do it all the time."

'. . . business and Government have bypassed the disadvantaged for years and years.'

foolish to say I wouldn't try to refine and improve the operation. But it's really premature to think of changing the effort substantially. We should continue along the track we are on until we get more experience and then assess the situation and determine how we want to go in the future.

Q. The JOBS Program has been criticized on the grounds that too many people are being placed in menial, unskilled, or dead-end work. What is your reaction to that criticism?

A. It was to be expected that a great many of the jobs, perhaps the preponderance of jobs, would be in the so-called menial category. But that does not mean they are dead-end jobs. No job is a dead end if the employer and the employee have the right attitude. That is the key, and that is where sensitivity training is crucial. The Department of Labor has been a leader in this area. Our sensitivity program was aimed at helping businessmen understand the problems the hard-core disadvantaged face and the help they need in trying to adjust to an entirely new work-a-day world—a world with which most of them are not familiar. If the employer gives the hard-core person adequate training, if he understands his special problems, and if he gives him a fair chance to advance, no job has to be a dead end.

Of course, the fellow who goes to work in a starting job—often his first job—shouldn't expect to step up two or three rungs of the ladder. That's not realistic, nor is it the American way. People in the better jobs aren't going to move off the ladder for somebody coming in below, and they shouldn't be expected to. The key here is upward movement. Traditionally, the disadvantaged have been bypassed or put in a starting job and never given a chance to advance. What we are all working for is a new day when we will open up opportunities and permit people to advance regardless of their ethnic or racial origin or other irrelevant factors.

Q. The retention rate for the disadvantaged people hired under the JOBS Program has been 68 percent. Is this a significant rate, and are you satisfied with it?

A. It's a significant rate, but I don't know whether to be happy about it or not. We need to know a lot more about it than we do. Remember, it's a rolling rate. In other words, if hiring started last spring, and we are taking total hires since then compared to the total people currently on board, those on board include some who were hired rather recently. It would be better to get a monthly rate and then calculate what your probable annual rate is. But what do you compare it to? What is a good rate? I'm told that for entry-level jobs a 50 to 60 percent retention rate would be pretty close to the national average. If that's so, our rate is as good as the national average. On that basis, we have a right to be happy. But compared to what we would all like, it's not high enough.

Training someone for a job is expensive. If he leaves, the investment is lost. Also, the hard-core person who can't make it in the job often gets discouraged. Dropping out can make it harder for him to get another job. It is bad for the program and may make things tougher for others who could be helped. So we want the retention rate to be as high as possible. It should be pointed out that a lot of people are leaving these jobs for what they consider better opportunities. Some are going back to school. Some are going into the military; others move to equal or better jobs. I think we have a right to consider those who move on to better opportunities as graduates. That factor should be considered in assessing the retention rate and the overall success of the program.

6 STEPS TO JOBS FOR EPILEPTICS

By Donald S. Frank

Some of the most illustrious men in history have been epileptics. Alexander the Great, Napoleon, and Julius Caesar apparently suffered from this malady. So did Buddha, Dostoevsky, St. Paul, Handel, Dante, Luther, Nobel, Socrates, and Tchaikovsky.

This is scant comfort to the nearly 4 million Americans today who are subject to some form of convulsive disorder. But it does point up the truth that this handicap, while often severe, need not bar its victims from active and useful lives. Unfortunately, it often is permitted to do so. Estimates of involuntary unemployment among epileptics of employable ages range from 15 to 25 percent, compared to a national rate of only 3.3 percent.

Mr. Frank is director of the Epilepsy Foundation of America's National Vocational Advisory Services Center. He directed the Three Cities Program. The complete final report on the program, titled *The Multi-Troubled Jobseeker: The Case of the Jobless Worker With a Convulsive Disorder*, is available from the Manpower Administration or the Epilepsy Foundation of America.

EPILEPTICS

continued

The U.S. Department of Labor and the Epilepsy Foundation of America joined forces in 1966 to explore the problems which this barrier to employment presented. The Labor Department's Manpower Administration granted the Foundation a $302,000 contract for a 2-year experimental and demonstration project. Its purpose was to determine the effectiveness of applying methods to the job problems of epileptics which had been learned from previous experimental projects designed to prepare disadvantaged people for employment.

The demonstration was built around a six-step approach, the heart of which was a group counseling or guidance procedure to overcome problems that make many epileptics unable to find and keep jobs. By showing that this approach, with certain refinements, succeeded with epileptics whose malady was under control, the experiment would point the way to giving effective help to other handicapped people.

Called the Three Cities Program, the experiment was conducted in Atlanta, Chicago, and San Antonio from August 1966 to October 1968. (The Chicago project has been continued through a grant from the Epilepsy Foundation.) It involved 1,341 people—60 percent of them men—with controllable epilepsy. Altogether, 938 epileptics, 7 out of 10 of the people involved in the program, were moved into training or employment. Of these, 697 were placed in jobs and an additional 241 in paid training slots funded through such programs as the Manpower Development and Training Act (MDTA) and Vocational Rehabilitation.

The basic program was similar in all three cities. Its six components were:

- Aggressive recruiting.
- A liberal acceptance policy.
- Professional group counseling or guidance.
- Job development.
- Job placement or referral to training, based on thorough evaluation.
- Followup for periods up to 9 months.

A center was established in each city, headed by a director who administered the local project. He was assisted by a trained group counselor and three aides drawn from a pool of epileptics with professional experience or education whose malady had barred them from active employment in jobs commensurate with their training and experience. These aides were responsible for a variety of tasks, including recruitment, counseling assistance, and job development. The overall program was coordinated by the Epilepsy Foundation's headquarters staff in Washington, D.C.

Many epileptics were hesitant about joining the program. They had been disappointed so often in the past that they were reluctant to expose themselves to failure again. Help in reaching prospective trainees was obtained from hospitals and clinics dealing with epileptics, Employment Service specialists experienced in working with the handicapped, vocational rehabilitation counselors, public welfare departments, and a variety of other organizations. A publicity campaign using newspapers, radio, television, and posters proved especially effective in reaching epileptics who needed help.

To overcome doubt and shyness, interviews were held in surroundings familiar to the epileptic—in the institution through which he was recruited or in his home.

Many of the 1,300 men and women in the project suffered from employment handicaps other than epilepsy. Fifty-three percent were Negroes or Mexican Americans or belonged to some other minority group; 68 percent had not completed high school, and the median education for the entire group was only 10 years. They had been unemployed an average of 6 months and 1 out of 7 had never held a job. Eighteen percent were on public welfare. Some were ex-convicts; others had been in hospitals for psychological disorders. The median age was 28. About 30 percent were under 21 years old and 22 percent were over 40.

At the outset, fairly strict criteria were established for accepting participants. They had to be persons:

— Whose epileptic seizures were controlled or could be made controllable in the foreseeable future,

— Unemployed or underemployed,

— Unable to afford a private service of the type offered by the project or disqualified for a public vocational service,

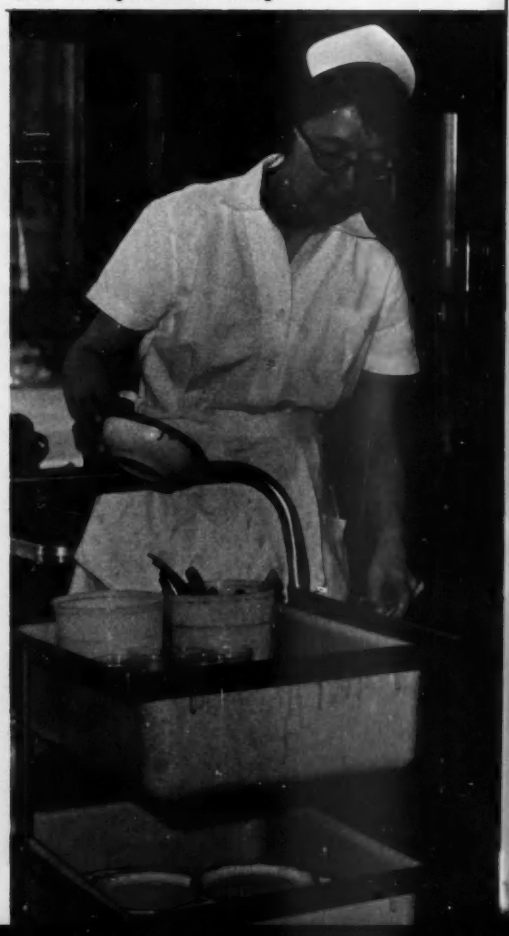
— Between 16 and 45 years of age, and

— Free of any other major physical or mental handicaps, except for personality difficulties possibly stemming from epilepsy.

These standards, however, were considerably relaxed after applicants started coming in. The people who applied needed help and it was difficult to turn them away. Also, with the tight job markets in Chicago and Atlanta, many employers were willing to give epileptics a chance, even to accept an occasional seizure on the job. Consequently, nearly 70 percent of those recruited suffered from grand mal seizures, the most common and the most severe form of epilepsy. Fewer than 100 applicants were turned away.

The counseling or guidance component of the program was of paramount importance. Counseling sessions directed by a professional vocational counselor were

Restaurant worker Mary Cary would like to see other epileptics get a chance to prove their ability to earn a living.



held twice a week for groups of 15 to 25 people. They were designed to restore the epileptic's confidence in himself as an individual and a jobseeker. At the first session, each individual was encouraged to ventilate his anger and frustration over his inability to find a job.

At subsequent meetings, the emphasis shifted to a discussion of concrete ways to overcome handicaps. The epileptics participated in simulated job interviews, took employment tests, reviewed training opportunities, and were helped to develop job résumés. As their self-assurance grew, they were referred to jobs or training slots or remedial education. Those who made the grade in jobs or training were persuaded to return to future group sessions to share their experiences with others in the project.

The counseling approach used in the program called for the people being advised to help make the decisions. Each person helped decide what job or training slot to apply for—an important factor in reducing resistance to suggested placements. And each person joined in the search for solutions, not only to his own problems but also to those of the others in the group. Group counseling gave the participants experience in dealing with other people and helped them overcome the shyness that often had hindered them in finding and holding jobs in the past.

Job development and placement were handled with great care. It was important that the epileptic not suffer the kind of rejection he had come to expect. Potential employers were sounded out. They were given a detailed description of the program. Epilepsy was explained to them and its response to medication was emphasized. They learned that in about 80 percent of all cases seizures can be partially or completely controlled through proper medical care.

In some instances employers and unions were persuaded to permit epileptics to work at jobs involving the operation of machines—a sphere of employment formerly considered out of bounds for epileptics. In Norcross, a suburb of Atlanta, for example, the Lamex Division of Columbia Carbon Company, with the cooperation of the local unit of the United Mine Workers of America, gave jobs involving the use of machinery to persons with medically controlled epilepsy. Mrs. W. R. McKelvy, vice president of the Norcross operation, said her firm saw "no reason why a person with medically controlled epilepsy should not be given a machine-oriented job if he is qualified."

The strong motivation of epileptics to make the most of their new opportunities made a highly favorable impression on employers. One bed manufacturer, who trained four epileptics under an MDTA grant, said they were "good workers, willing and eager to learn. They cause fewer problems than our other trainees and work harder."

The sales manager at Chemical Dynamics in Chicago agrees. "They are more willing workers and have more interest in their jobs than the average employee," he said. He also noted that none of the six epileptics hired had suffered a seizure on the job.

Floyd F. Flejtuch operates a tape edging machine in a Chicago mattress factory. People with controlled epilepsy can work safely with machinery.

Mailroom supervisor William Minter checks a mailing machine at the Chicago chemical firm where he works. He started as a mail and stock clerk.

EPILEPTICS *continued*

'SEVERAL TIMES I FELT I WAS LOSING MY CONFIDENCE, BUT AFTER YOUR TALKING TO ME AND MAKING ME SEE THE GOOD I HAD IN MYSELF, MY CONFIDENCE WAS RESTORED.'

Another Chicago employer who also hired six epileptics noted that persons with handicaps or physical problems "are more dependable and reliable." One personnel manager reported that the epileptic he hired "has been with our company for almost 2 years now, and is one of the finest employees we have ever had."

A key finding of the Three Cities Program was that handicapped people are easier to place in small and medium-sized firms, which seem to have less structured personnel policies. Such businesses more easily can adjust their personnel regulations to accommodate persons whose educational and vocational qualifications are marginal. Although many large firms helped, the smaller ones seemed more willing to take on people traditionally considered poor job risks.

Paid training slots were sought for those project participants not ready for work. Trainee positions were obtained for epileptics under the Concentrated Employment Program and Manpower Development and Training Act and Vocational Rehabilitation projects.

The severity of an individual's handicap and his degree of job readiness determined what type of help he was given. Typically, people without training who were subject to one or two seizures a month were placed in a Vocational Rehabilitation training slot. Arrangements were made to give them easy and regular access to medical care so their seizures could be kept under control while they learned the kind of skill they needed to hold a regular job.

Unskilled people subject to seizures only two or three times a year were placed in MDTA training slots, since their greatest need was skill acquisition rather than medical attention. People whose seizures were infrequent or merely an episode in an otherwise satisfactory job history were referred directly to a job.

A whole range of supportive services —medical, social, financial, educational, and legal—were made available to each epileptic, depending on his need. Some participants were so poor they lacked carfare to come to the center or enough money to keep them going during the counseling cycle. Arrangements were made for them to go on welfare temporarily. Major medical aid was secured for 300 of the people in the program.

Close contact was maintained with the participants after they were placed. It was particularly important to keep in touch with them during the critical first 3 or 4 weeks on a job or a training assignment. Staff members visited them at home or on the job to bolster their confidence as they tried to cope with their new situations.

A second purpose of followup was to keep up with the epileptics' progress, to move them from training into jobs when they seemed ready, or to bring them back to the center for more help if they showed signs of being unable to keep up with the demands of their jobs or training slots. It is unrealistic to expect people who have been unemployed for a long time to adjust smoothly to a job or training routine. They need the continued aid and assurance that followup affords.

The effectiveness of the followup program is illustrated by the high percentage of people placed in employment who were still on the job when the project came to a close: Atlanta, 70 percent; Chicago, 85 percent; and San Antonio, 61 percent. The variation in job retention rates in the three cities was attributable to many factors, but probably the most important one was economic. The record in Chicago was best because the job market there was best and the program participants were generally more skilled and better educated than in the two other test areas.

It should be emphasized, however, that the project was able to help even the most severely disadvantagd recruits. The placement record for Negroes, Mexican Americans, and other minority group members was 67 percent. For school dropouts it was 69 percent. For public welfare recipients it was 56 percent. The overall placement rate for the 223 persons who had employment handicaps in addition to epilepsy was 57 percent.

The jobs obtained for the epileptics ranged from waitress and baggageroom helper to chemist, radio editor, and school teacher. Whatever work they are doing, they are performing useful tasks and are supporting themselves and, in some cases, their families. In nearly every instance the starting wage of those placed in jobs was $1.60 to $3 an hour. One man, a 26-year-old college graduate from San Antonio, is now an agronomist with the Department of Agriculture in Maryland and earns more than $7,000 a year. A young woman, one of the original participants, is now counselor-supervisor for the Chicago project. She also earns $7,000 a year.

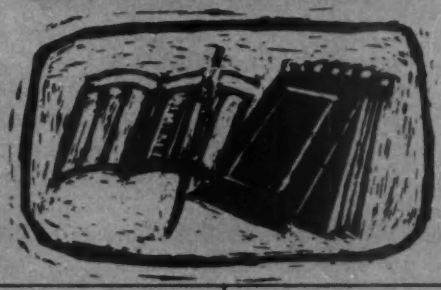
Although most of the recruits were placed in jobs with small and medium-sized firms, some got jobs with big organizations such as *The Chicago Tribune*, Sears, Sunbeam, Ford, Lockheed, and *The Atlanta Constitution*. A number also were hired by the Federal Government.

The Three Cities Program showed that even people with multiple employment handicaps, including physical disability, racial barriers, and lack of education and training, are employable. What the opportunity to work means—not only in material terms but also in self-esteem—to someone who had almost given up hope was expressed in a letter from a young man who participated in the Atlanta project. He told the staff members:

"Several times I felt I was losing my confidence, but after your talking to me and making me see the good I had in myself, my confidence was restored. Attending your counseling sessions made me realize that I wasn't as bad off as I thought I was.

"Thanks to you I now have a good job selling women's shoes. I sold a pair of shoes to the first customer I waited on. After the sale, I thought to myself, 'Well, if they could only see me now.' I knew you would be as proud of me as I was of myself."

News & Notes



Secretary of Labor George P. Shultz has called for legislative action to remove the "national packaging and funding" of Federal manpower programs in favor of one comprehensive program. Fixed sums would not be specified for the Neighborhood Youth Corps, the Manpower Development and Training Act, and other programs. Shultz called instead for a lump sum that could be "deployed flexibly to meet the most urgent local needs for service rather than to meet nationally conceived program goals." This plan would also embrace training programs outside the Labor Department, such as Vocational Rehabilitation and Vocational Education.

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A family now can earn a little more money and still qualify as poor. The Manpower Administration's new order (No. 1-69) defining the term "disadvantaged individual"--which designates those eligible to receive antipoverty manpower services--permits a nonfarm family of four to earn $3,300 annually and still be classified as poor. Previously the amount was $3,200. Dollar amounts for nearly all size families have been revised upward. For a complete definition of "disadvantaged" as applied by the Labor Department, write to the Information Office, Manpower Administration, U.S. Department of Labor, Washington, D.C. 20210.

* * *

A change in attitude by American business is primarily responsible for job gains made by Negroes in recent years, Otto Eckstein, Harvard economist, stated at a seminar conducted by the U.S. Department of Labor. Business' emphasis on equality of opportunity has meant a substantial upgrading of jobs held by Negroes, Dr. Eckstein said. But he warned that the rate of progress of the past 3 years may be a "one-shot" gain and that by 1985 a disproportionate share of Negroes may still be in low-status, low-pay jobs. Dr. Eckstein's remarks, together with a question and answer period, are published in a report of the seminar titled "Education, Employment, and Negro Equality," available from the Manpower Administration.

The Department of Labor is trying to find out if automation of manpower services and formation of data banks pose a threat to privacy and the confidentiality of information. A committee has been formed to study the ramifications of automation. It will explore such areas as the accessibility of the data to other agencies, the meshing of Labor Department data with other information banks, and how the use of information is controlled.

* * *

Secretary of Labor George P. Shultz has called the first fully automated job placement system within the Federal-State Employment Service an important step in providing high-quality service to American workers. The new system, developed by the Utah Department of Employment Security, was launched in Salt Lake City. "The new system certainly should enable the machine to take over many routine tasks and free people in our employment security system to do the much more creative things that are necessary in dealing with the individual worker," he said.

* * *

A new wrinkle in developing summer jobs for poor high school students will be tested this summer under a $30,000 experimental and demonstration program funded by the U.S. Department of Labor. High school students in 15 States will be trained to serve as volunteers in finding jobs for their less fortunate colleagues under a trial program called Summer Opportunities for Students (SOS).

* * *

Deputy Under Secretary of Labor Millard Cass has been given the additional responsibility of maintaining liaison between the Labor Department and the 50 States. Labor Secretary George P. Shultz cited the special need for better Federal-State cooperation in manpower efforts. He said Cass would "give top priority to improving the coordination of programs where it is essential that the States and the Department of Labor work together as effectively as possible."

PRESIDENT URGES 'SEARCHING' PROBE OF WAYS TO COMBAT POVERTY

Following are excerpts from President Nixon's message to Congress on the Economic Opportunity Act, in which he announced that responsibility for administering the Job Corps will be delegated to the Department of Labor from the Office of Economic Opportunity (OEO), effective July 1. In the message, President Nixon said he will ask Congress to extend the present authorization for appropriations for the OEO, which runs until June 30, 1969, for another year. He also said that before the end of this fiscal year, he will send Congress a "comprehensive proposal for the future of the poverty program."

The blight of poverty requires priority attention. It engages our hearts and challenges our intelligence. It cannot and will not be treated lightly or indifferently, or without the most searching examination of how best to marshal the resources available to the Federal Government for combatting it. . . .

In the maze of antipoverty efforts, precedents are weak and knowledge uncertain. These past years of increasing Federal involvement have begun to make clear how vast is the range of what we do not yet know, and how fragile are projections based on partial understanding. But we have learned some lessons about what works and what does not. The changes I propose will be based on those lessons and those discoveries, and rooted in a determination to press ahead with antipoverty efforts even though individual experiments have ended in disappointment. . . .

The Vocational Education Amendments of 1968 directed the Commissioner of Education to study the Job Corps in relation to State vocational education programs. I have directed the Secretaries of Labor and of Health, Education, and Welfare and the Assistant Secretary of Labor for Manpower to work with the Acting Commissioner of Education in preparing such a report for submission to Congress at the earliest opportunity.

One of the priority aims of the new Administration is the development by the Department of Labor of a comprehensive manpower program, designed to make centrally available to the unemployed and the underemployed a full range of Federal job training and placement services. Toward this end, it is essential that the many Federal manpower programs be integrated and coordinated.

Therefore, as a first step toward better program management, the Job Corps will be delegated to the Department of Labor.

For the Department, this will add another important manpower service component. For the Job Corpsmen, it will make available additional training and service opportunities. From the standpoint of program management, it makes it possible to coordinate the Job Corps with other manpower services, especially vocational education, at the point of delivery.

The Department of Labor already is deeply involved in the recruitment, counseling, and placement of Job Corpsmen. It refers 80 percent of all male and 45 percent of all female enrollees; it provides job market information, and helps locate Job Corpsmen in the areas of greatest opportunity.

This delegation will . . . be made effective on July 1, 1969; and the Departments of Interior and Agriculture will continue to have operating responsibility for the Job Corps centers concerned primarily with conservation. . . .

One of the principal aims of the Administration's continuing study of the antipoverty effort will be to improve its management effectiveness. When poverty-fund monies are stolen, those hurt most are the poor—whom the monies were meant to help. When programs are inefficiently administered, those hurt most again are the poor. The public generally, and the poor especially, have a right to demand effective and efficient management. I intend to provide it.

I expect that important economies will result from the delegation of the Job Corps to the Department of Labor, and we shall continue to strive for greater efficiency. . . .

. . . I would stress this final thought: If we are to make the most of experimental programs, we must frankly recognize their experimental nature and frankly acknowledge whatever shortcomings they develop. To do so is not to belittle the experiment, but to advance its essential purpose: that of finding new ways, better ways, of making progress in areas still inadequately understood.

We often can learn more from a program that fails to achieve its purpose than from one that succeeds. If we apply those lessons, then even the "failure" will have made a significant contribution to our larger purposes.

I urge all those involved in these experimental programs to bear this in mind —and to remember that one of the primary goals of this Administration is to expand our knowledge of how best to make real progress against those social ills that have so stubbornly defied solution. We do not pretend to have all the answers. We are determined to find as many as we can.

The men and women who will be valued most in this Administration will be those who understand that not every experiment succeeds, who do not cover up failures but rather lay open problems, frankly and constructively, so that next time we will know how to do better.

In this spirit, I am confident that we can place our antipoverty efforts on a secure footing—and that as we continue to gain in understanding of how to master the difficulties, we can move forward at an accelerating pace.

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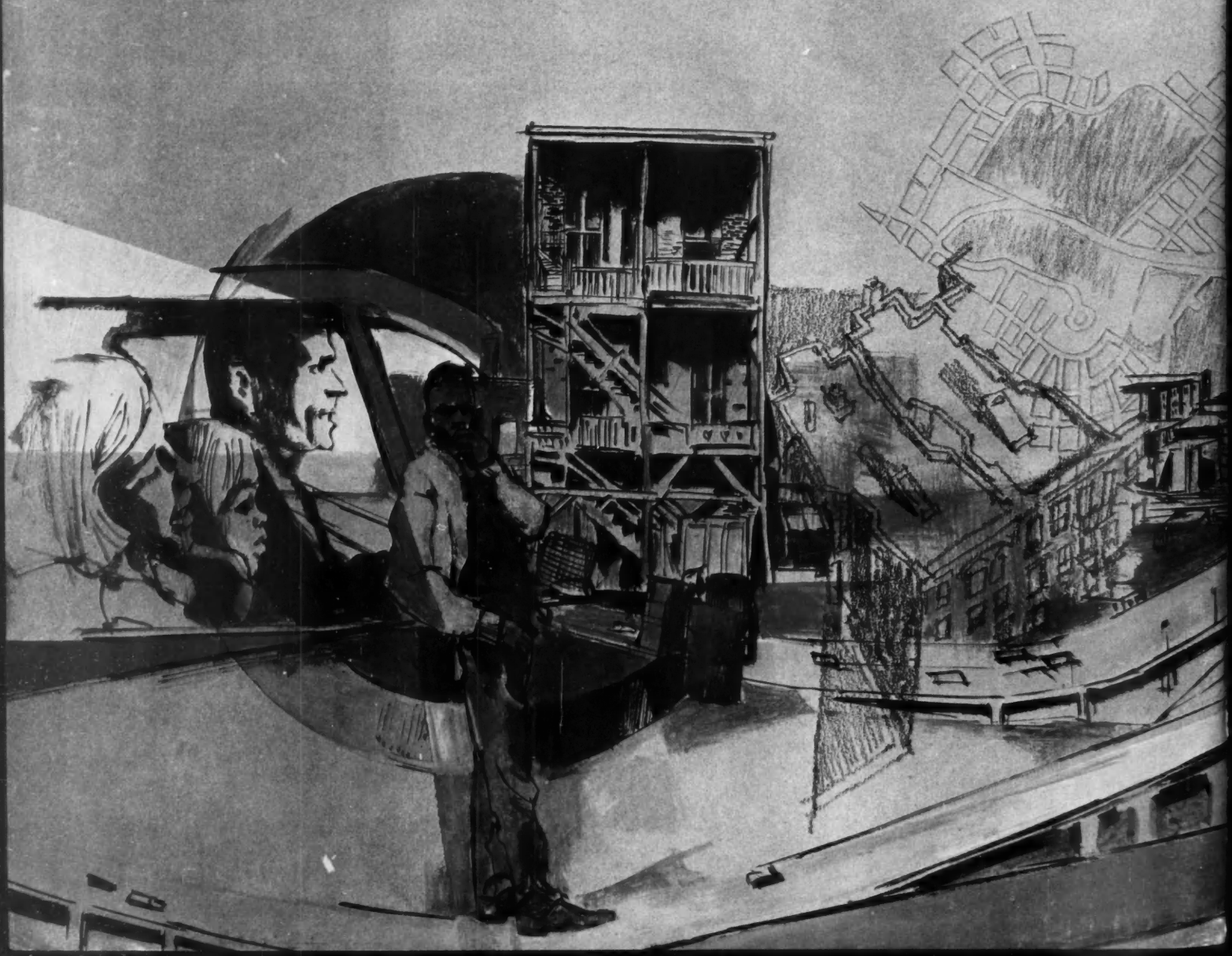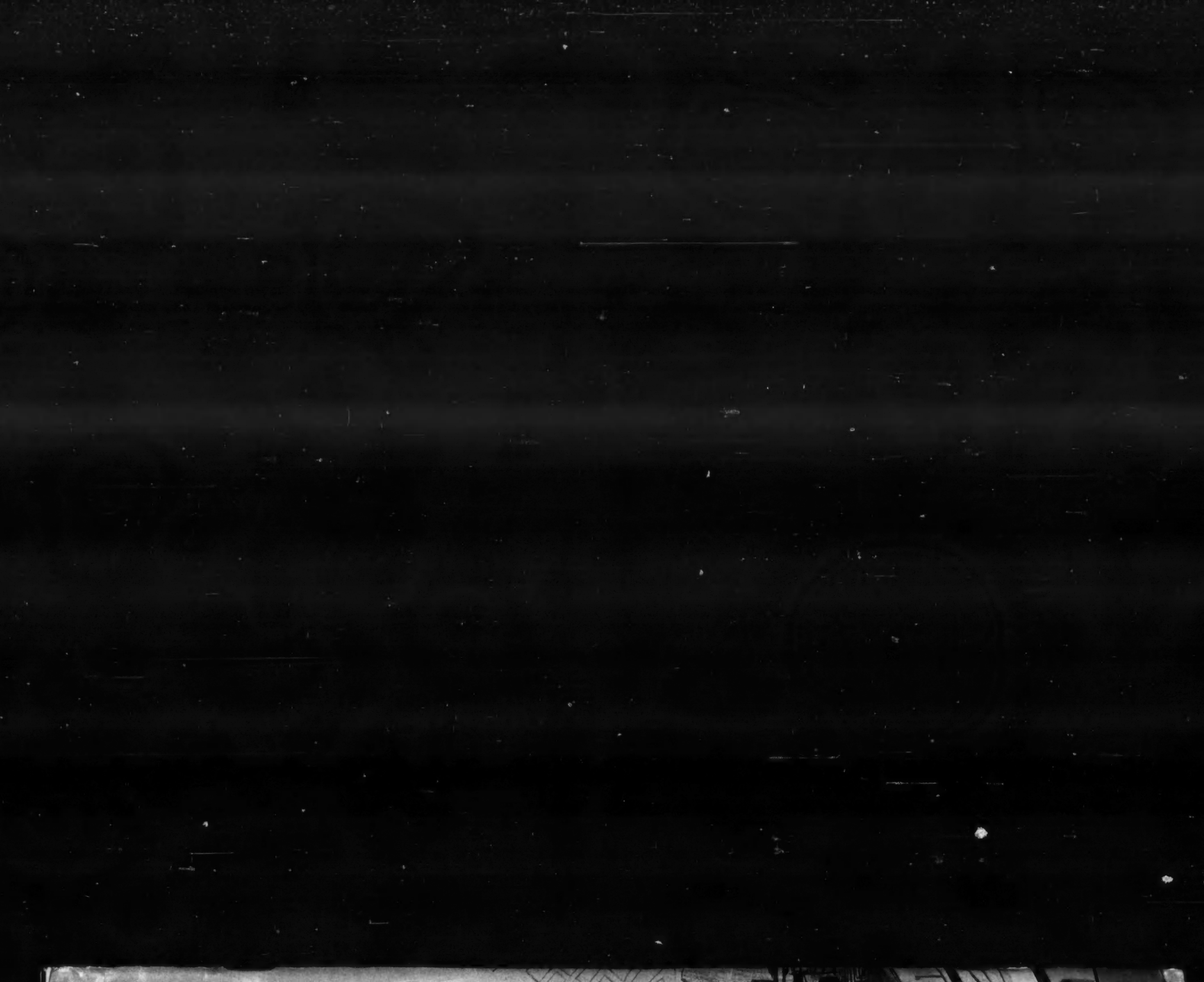
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